IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Patentee	: Andrew Egendorf	Art Unit	: 3624
Patent No.	: 6,976,008	Examiner	: Daniel Felten
Issue Date	: December 13, 2005	Conf. No.	: 4483
Serial No.	: 09/975,839		
Filed	: October 11, 2001		
Title	: INTERNET BILLING METHOD		

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

REQUEST FOR RECONSIDERATION OF PATENT TERM ADJUSTMENT

The patentee hereby requests that the Patent Term Adjustment (PTA) for the above-identified patent be reconsidered. The patentee believes that the PTA of 290 days for the above patent is incorrect and that the PTA to which patentee is entitled is 717 days.

Review of Patent Term Adjustment Calculations

A review of the Patent Term Adjustment History in the PAIR system shows that the Patent Office (PTO) calculated the PTA as follows:

1) Applicant submitted a response on February 3, 2003, thereby according an Applicant Delay of 12 days. The patentee does not dispute this calculation herein.

2) Applicant submitted a response on May 21, 2003. The PAIR system indicates a receipt date of May 23, 2003, thereby according an Applicant Delay of 109 days. The patentee does not dispute this calculation herein.

3) The PTO mailed a delayed action on January 23, 2004, thereby according a PTO Delay of 99 days. The patentee does not dispute this calculation herein.

4) Applicant submitted a response on September 21, 2004, thereby according an Applicant Delay of 17 days. The patentee does not dispute this calculation herein

5) The PTO mailed a delayed action on February 4, 2005, thereby according a PTO Delay of 14 days. The patentee does not dispute this calculation herein.

6) The PTO delayed issuance until December 13, 2005, thereby according a PTO Delay of 178 days. The patentee does not dispute this calculation herein.

7) Due to the 3 year issuance delay, the PTO calculated an additional PTO delay of 137 days. The patentee respectfully disagrees with this calculation for the reasons explained in the section entitled "#7 Calculation" below. Instead, as explained below, the patentee asserts that the effective issuance delay is 564 days.

8) The PTO calculates a total PTO Delay of 428 days and a total Applicant Delay of 138 days, for a total PTA of 290 days. Applicant respectfully submits that the PTO's calculation of PTO Delay contains an error and that the correct total is 855 days, thus yielding a total PTA of 717 days.

#7 Calculation

The above-identified patent issued on December 13, 2005 with numerous printing errors, and with incorrect drawings. Accordingly, the patentee filed, on January 18, 2006, a sixty-nine (69) page "Request For Certificate Under 37 CFR 1.322" (copy attached) to correct errors that were the fault of the Patent Office. The filing included a request that the certificate of correction be expeditiously processed. In response, the Patent Office issued a certificate of correction on May 9, 2006 ("the May 9th certificate"), a copy of which is attached. The certificate of

correction included the correct drawings and corrections to printing errors in both the specification and the claims.

The May 9th certificate introduced six new errors into the claims, which were the fault of the Patent Office, and which could have affected their enforceability. Accordingly, the patentee filed, on the following day - May 10, 2006, a request (copy attached) to correct errors in the May 9th Certificate. In response, the Patent Office issued a certificate of correction on February 13, 2007 ("the February 13th certificate"). The February 13th certificate supersedes the May 9th certificate.

A certificate of correction issued pursuant to 35 U.S.C. §254 is not effective for causes of action arising prior to issuance of the certificate.[1] Therefore, the patentee in this case had to wait until issuance of a certificate of correction before asserting the patent. For at least this reason, the patentee asserts that the effective issuance date of U.S. Patent No. 6,976,008 is February 13, 2007. This date is therefore used herein as the basis for PTA adjustment.

This Request is being filed within two months of February 13, 2007 and is therefore believed to be timely.

Conclusion

In consideration of the events described above, the patentee believes the PTA calculation of 290 days is incorrect. The patentee respectfully request reconsideration of the patent term adjustment in the following manner:

---

[1] Southwest Software, Inc. v. Harlequin Incorporated, 226 F.3d 1280 (Fed. Cir. 2000) (copy attached)

1) Total PTO Delay should be calculated as 855 days; and

2) Total Applicant Delay should be calculated as 138 days.

3) An increase in the Total PTA from 290 to 717 days.

A "Petition Under 37 C.F.R. §1.82" is being filed concurrently herewith, as an alternative, to request a term adjustment of 717 days.

Please apply the fee for this Petition to deposit account no. 06-1050 referencing attorney docket no. 22188-002001.

The patentee's undersigned attorney can be reached at the address shown below. All telephone calls should be directed to the undersigned at 617-521-7896.

Respectfully submitted,

Date: April 11, 2007

Paul A. Pysher
Reg. No. 40,780

Fish & Richardson P.C.
225 Franklin Street
Boston, MA 02110
Telephone: (617) 542-5070
Facsimile: (617) 542-8906

21610424.doc

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
APPLICATION NO. : 09/975839
DATED : December 13, 2005
INVENTOR(S) : Egendorf

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Title page showing an illustrative figure, should be deleted and substitute the attached title page.

Title page.

Item [56], References Cited, U.S. PATENT DOCUMENTS, add the following:

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FOREIGN PATENT DOCUMENTS, add the following:

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Lines 29 and 37, "vender," should read -- vendor, --.
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Line 35, "vender's" should read -- vendor's --.
Line 53, "or example," should read -- for example, --.
Line 54, "or o a" should read -- or to a --.
Line 63, "provider, to the" should read -- provider, not the --.

Column 4,
Line 6, "make" should read -- made --.
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Line 57, "Access network, an" should read -- Access network 3 can be a telephone network, a cable television network, an --.
Line 58, "Prodigy, r a" should read -- Prodigy, or a --.
Line 66, "agreement" should read -- agreements --.

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Line 50, "Provider then" should read -- Provider 2 then --.
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Line 63, "customer" should read -- customers --.
Line 66, "is" should read -- in --.

Column 6,
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Lines 7 and 14, "form" should read -- from --.
Line 26, "sued" should read -- used --.
Line 39, "VISA, Mastercard" should read -- VISA or Mastercard --.
Line 44, "is, t can" should read -- is, it can --.
Line 57, "or a" should read -- or an --.
Line 63, "For" should read -- for --.

Column 7,
Line 8, "amount" should read -- account --.
Line 9, "with the third" should read -- with a third --.
Line 62, "on Internet" should read -- an Internet --.

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Column 8,
Line 8, "company an" should read -- company, an --.
Line 61, "preformed" should read -- performed --.

Column 9,
Line 3, "arced" should read -- agreed --.
Line 34, "patty" should read -- party --.

Column 12,
Line 23, "transaction." should read -- transaction; --.

Column 13,
Line 11, "by to" should read -- by the --.
Line 22, "patty" should read -- party --.
Line 45, "agreement; and" should read -- agreement, --.
Line 61, "vendor a" should read -- vendor, a --.

Column 14,
Line 67, "agreement." should read -- agreement, --.

Column 15,
Line 61, "remitted, to" should read -- remitted to --.

Column 16,
Line 18, "have to" should read -- have agreed to --.
Line 44, "tan" should read -- than --.

Column 17,
Line 23, "have to" should read -- have agreed to --.
Line 35, "to selling" should read -- to the selling --.

Column 18,
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Column 19,
Line 21, "have to" should read -- have agreed to --.
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Column 20,
Line 10, "alter" should read -- after --.
Line 16, "transaction over" should read -- transactions over --.
Line 57, "alter" should read -- after --.

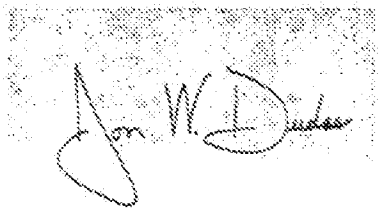
Column 21,
Line 11, "transaction;" should read -- transaction, --.

Column 22,
Line 4, "have to" should read -- have agreed to --.
Line 17, "alter" should read -- after --.

This certificate supersedes Certificate of Correction issued May 9, 2006.

Signed and Sealed this

Thirteenth Day of February, 2007



JON W. DUDAS
Director of the United States Patent and Trademark Office

(12) **United States Patent**
Egendorf

(10) **Patent No.: US 6,976,008 B2**
(45) **Date of Patent: *Dec. 13, 2005**

(54) **INTERNET BILLING METHOD**

(75) Inventor: Andrew Egendorf, Lincoln, MA (US)

(73) Assignee: Neteraft, Corporation, Lincoln, MA (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 260 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: 09/975,859

(22) Filed: Oct. 11, 2001

(65) Prior Publication Data

US 2002/0032654 A1 Mar. 14, 2002

Related U.S. Application Data

(63) Continuation of application No. 09/568,935, filed on May 11, 2000, which is a continuation of application No. 09/057,230, filed on Apr. 8, 1998, now Pat. No. 6,188,994, which is a continuation of application No. 08/499,335, filed on Jul. 7, 1995, now Pat. No. 5,794,221.

(51) Int. Cl.[7] G06F 17/60

(52) U.S. Cl. 705/40; 705/41; 705/42

(58) Field of Search 705/40, 41, 42

(56) References Cited

U.S. PATENT DOCUMENTS

3,573,747 A * 4/1971 Adams 340/172.5
5,146,491 A * 9/1992 Silver et al. 379/114
5,329,589 A * 7/1994 Fraser et al. 379/93.02
5,394,324 A * 2/1995 Clearwater 705/8
5,446,489 A * 8/1995 Egendorf 348/5
5,737,414 A 4/1998 Walker et al. 380/4
5,845,265 A 12/1998 Woolston 705/37

OTHER PUBLICATIONS

Carnegie Mellon University, "Internet billing Server Prototype Scope Document INI Technical Report 1995-1" (Oct. 14, 1993).*

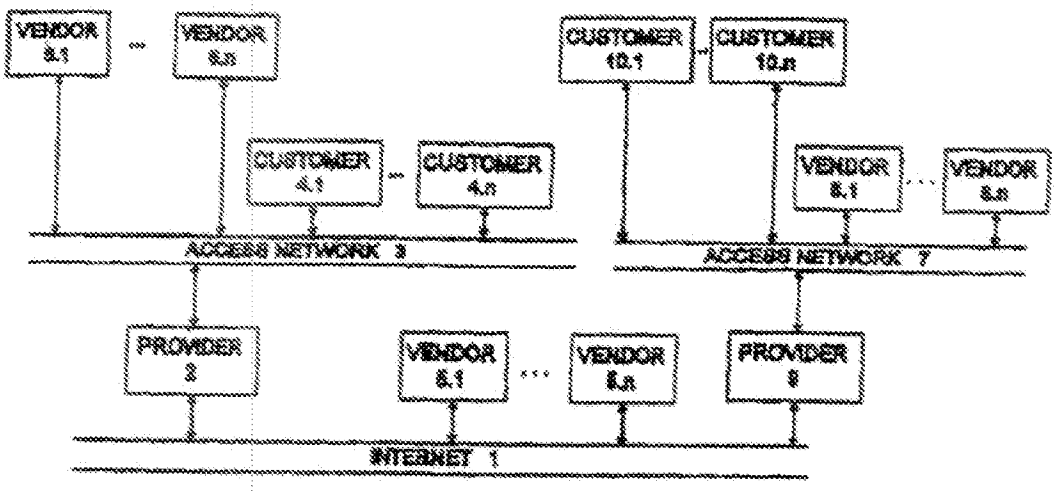
* cited by examiner

Primary Examiner—V. Millin
Assistant Examiner—Daniel S. Felten
(74) *Attorney, Agent, or Firm*—Hogan & Hartson L.L.P.

(57) **ABSTRACT**

An Internet billing method comprises establishing an agreement between an Internet access provider and a customer, and an agreement between the Internet access provider and a vendor, wherein the Internet access provider agrees with the customer and the vendor to bill the customer and remit to the vendor for products and services purchased over the Internet by the customer from the vendor. The provider creates access to the Internet for the customer. When the customer orders a product or service over the Internet from a vendor, transactional information transmitted between the customer and the vendor is also transmitted to the provider. The provider then bills the transaction amount to the customer and remits a portion of the transaction amount to the vendor, keeping the differential as a fee for providing the service. As a result of this method, there is no need for any customer account numbers or vendor account numbers to be transmitted over the Internet, thereby maintaining the security of that information.

94 Claims, 3 Drawing Sheets



VENDOR 6.1
VENDOR 6.n
CUSTOMER 4.1
CUSTOMER 4.n
ACCESS NETWORK 3
PROVIDER 2
VENDOR 8.1
VENDOR 8.n
CUSTOMER 10.1
CUSTOMER 10.n
ACCESS NETWORK 7
PROVIDER 9
VENDOR 9.1
VENDOR 9.n
INTERNET 1

FIG. 1

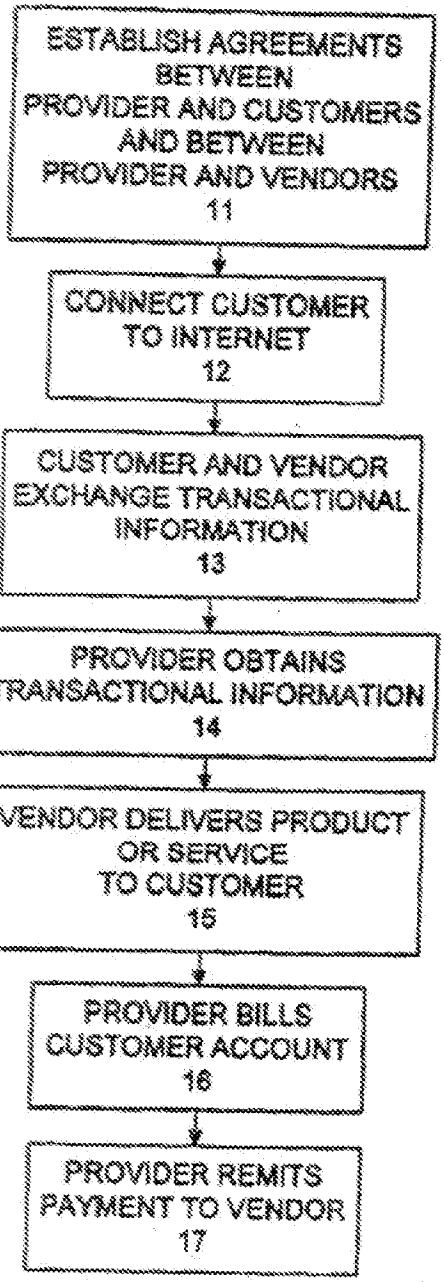
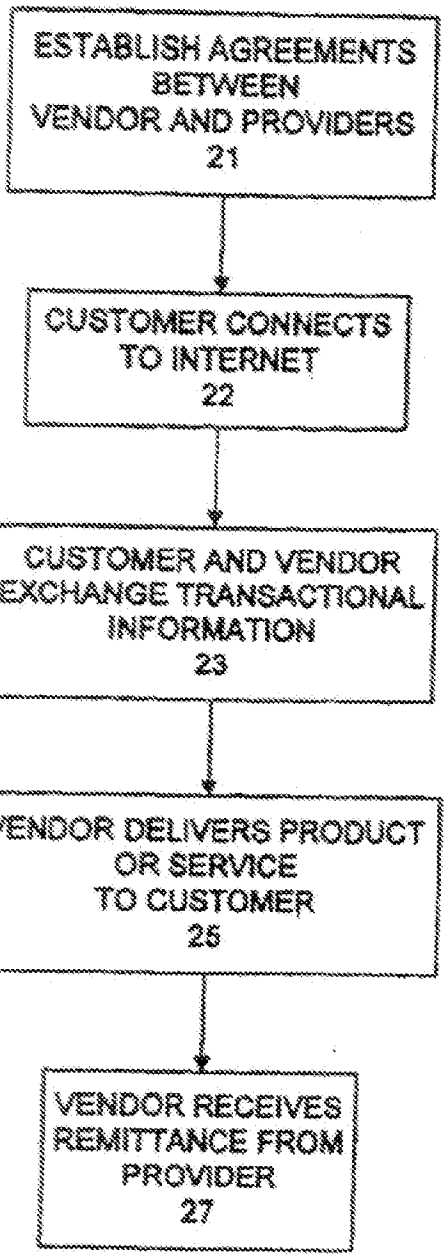

ESTABLISH AGREEMENTS BETWEEN PROVIDER AND CUSTOMERS AND BETWEEN PROVIDER AND VENDORS
11
CONNECT CUSTOMER TO INTERNET
12
CUSTOMER AND VENDOR EXCHANGE TRANSACTIONAL INFORMATION
13
PROVIDER OBTAINS TRANSACTIONAL INFORMATION
14
VENDOR DELIVERS PRODUCT OR SERVICE TO CUSTOMER
15
PROVIDER BILLS CUSTOMER ACCOUNT
16
PROVIDER REMITS PAYMENT TO VENDOR
17

FIG. 2


ESTABLISH AGREEMENTS BETWEEN VENDOR AND PROVIDERS 21
CUSTOMER CONNECTS TO INTERNET 22
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VENDOR DELIVERS PRODUCT OR SERVICE TO CUSTOMER 25
VENDOR RECEIVES REMITTANCE FROM PROVIDER 27

FIG. 3

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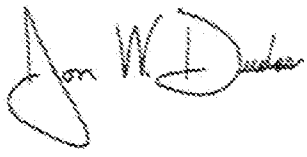
Column 22,
Line 4, "have to" should read -- have agreed to --.
Line 17, "alter" should read -- after --.

Signed and Sealed this

Ninth Day of May, 2006



JON W. DUDAS
Director of the United States Patent and Trademark Office

(12) **United States Patent**
Egendorf

(10) **Patent No.: US 6,976,008 B2**
(45) **Date of Patent: *Dec. 13, 2005**

(54) INTERNET BILLING METHOD

(75) Inventor: Andrew Egendorf, Lincoln, MA (US)

(73) Assignee: Netcraft, Corporation, Lincoln, MA (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 290 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: 09/975,839

(22) Filed: Oct. 11, 2001

(65) Prior Publication Data

US 2002/0032654 A1 Mar. 14, 2002

Related U.S. Application Data

(63) Continuation of application No. 09/568,928, filed on May 11, 2000, which is a continuation of application No. 08/857,230, filed on Apr. 8, 1998, now Pat. No. 6,188,994, which is a continuation of application No. 08/499,535, filed on Jul. 7, 1995, now Pat. No. 5,794,221.

(51) Int. Cl.[7] G06F 17/60

(52) U.S. Cl. 705/40; 705/41; 705/42

(58) Field of Search 705/40, 41, 42

(56) References Cited

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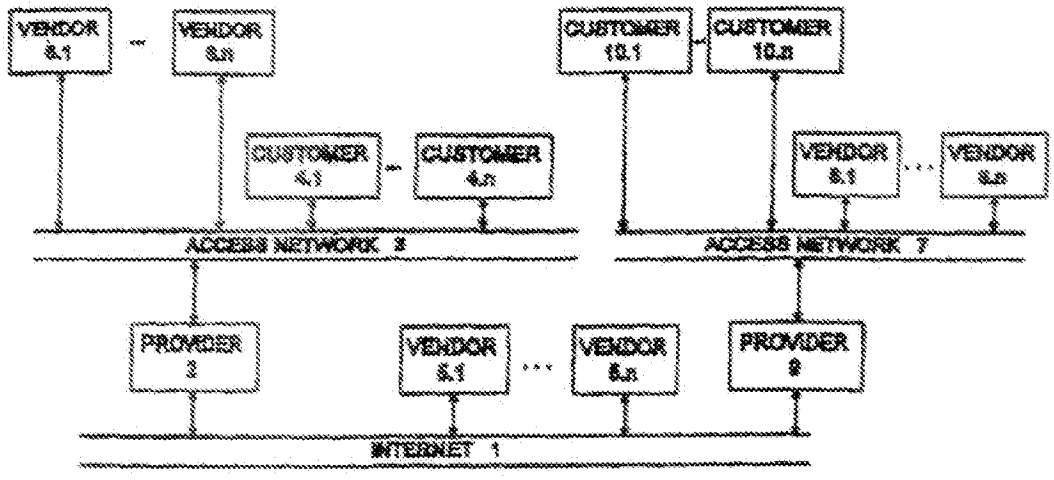
Primary Examiner—V. Millin
Assistant Examiner—Daniel S. Felten
(74) *Attorney, Agent, or Firm*—Hogan & Hartson L.L.P.

(57) ABSTRACT

An Internet billing method comprises establishing an agreement between an Internet access provider and a customer, and an agreement between the Internet access provider and a vendor, wherein the Internet access provider agrees with the customer and the vendor to bill the customer and remit to the vendor for products and services purchased over the Internet by the customer from the vendor. The provider creates access to the Internet for the customer. When the customer orders a product or service over the Internet from a vendor, transactional information transmitted between the customer and the vendor is also transmitted to the provider. The provider then bills the transaction amount to the customer and remits a portion of the transaction amount to the vendor, keeping the differential as a fee for providing the service. As a result of this method, there is no need for any customer account numbers or vendor account numbers to be transmitted over the Internet, thereby maintaining the security of that information.

94 Claims, 3 Drawing Sheets



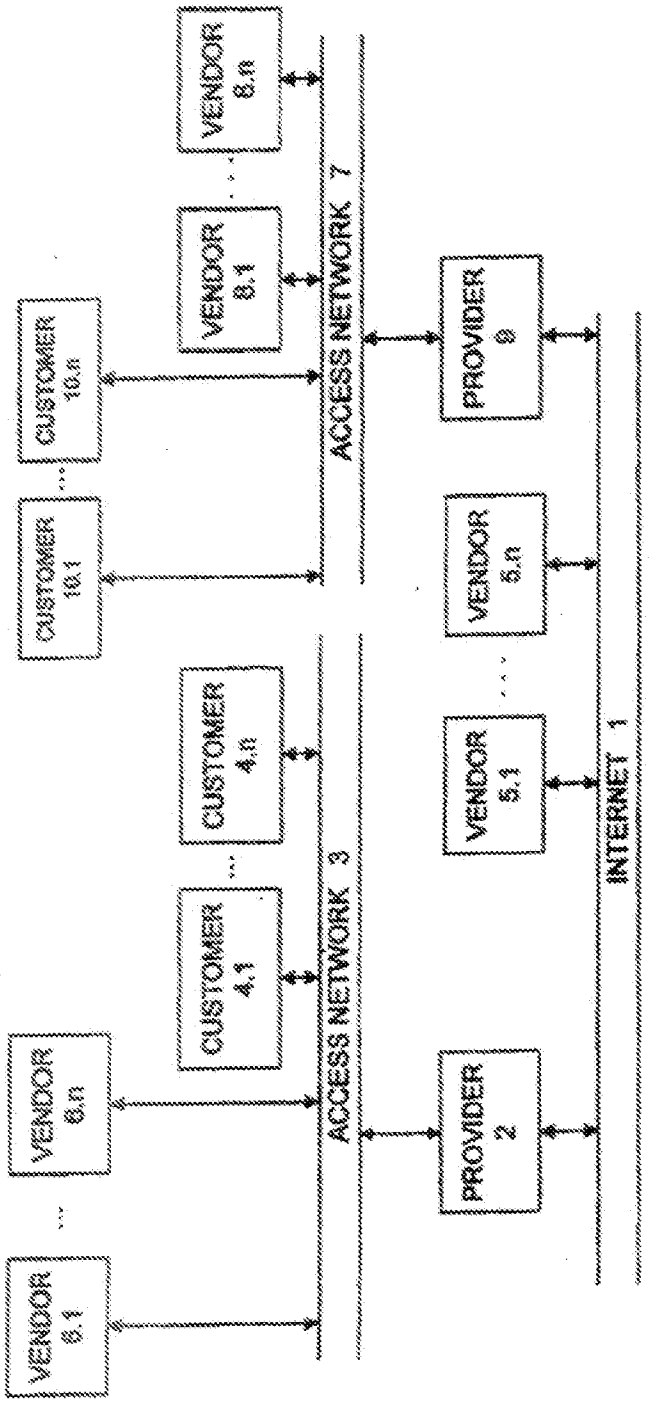

VENDOR 8.1
VENDOR 8.n
CUSTOMER 4.1
CUSTOMER 4.n
CUSTOMER 10.1
CUSTOMER 10.n
ACCESS NETWORK 3
ACCESS NETWORK 7
PROVIDER 2
PROVIDER 0
VENDOR 5.1
VENDOR 5.n
VENDOR 8.1
VENDOR 8.n
INTERNET 1

FIG. 1

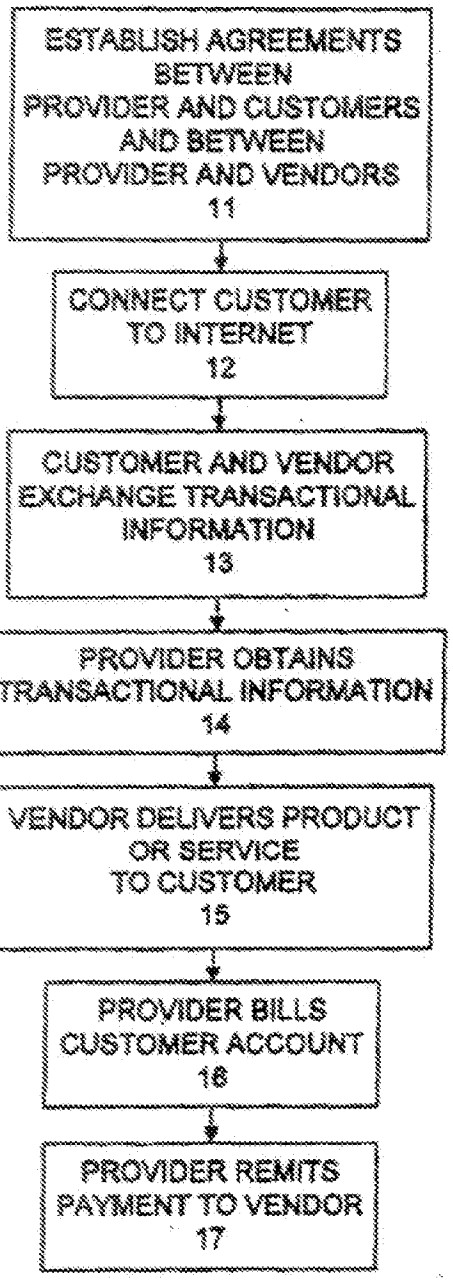

ESTABLISH AGREEMENTS BETWEEN PROVIDER AND CUSTOMERS AND BETWEEN PROVIDER AND VENDORS 11
CONNECT CUSTOMER TO INTERNET 12
CUSTOMER AND VENDOR EXCHANGE TRANSACTIONAL INFORMATION 13
PROVIDER OBTAINS TRANSACTIONAL INFORMATION 14
VENDOR DELIVERS PRODUCT OR SERVICE TO CUSTOMER 15
PROVIDER BILLS CUSTOMER ACCOUNT 16
PROVIDER REMITS PAYMENT TO VENDOR 17

FIG. 2

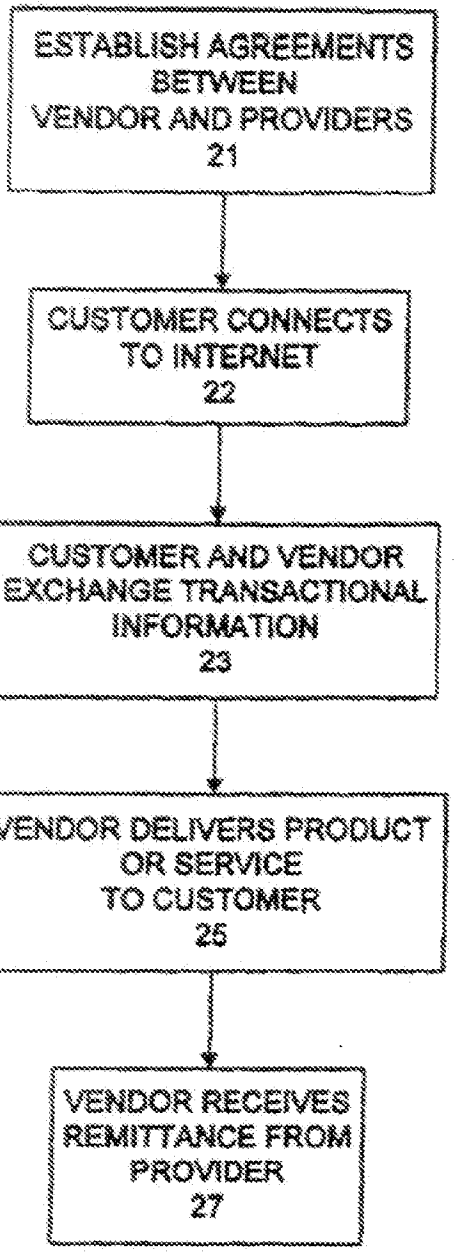

ESTABLISH AGREEMENTS BETWEEN VENDOR AND PROVIDERS 21
CUSTOMER CONNECTS TO INTERNET 22
CUSTOMER AND VENDOR EXCHANGE TRANSACTIONAL INFORMATION 23
VENDOR DELIVERS PRODUCT OR SERVICE TO CUSTOMER 25
VENDOR RECEIVES REMITTANCE FROM PROVIDER 27

FIG. 3

Briefs and Other Related Documents

United States Court of Appeals,
Federal Circuit.
SOUTHWEST SOFTWARE, INC., Plaintiff-Cross Appellant,
v.
HARLEQUIN INCORPORATED, Harlequin Limited, and ECRM Trust, Defendants-Appellants.
Nos. 99-1213, 99-1214.

Sept. 18, 2000

Patentee brought infringement action against alleged infringers of its patents for a method of calibrating halftone output images during desktop publishing. The United States District Court for the Western District of Texas, Sam Sparks, J., entered judgment in favor of patentee, and appeal was taken. The Court of Appeals, Schall, Circuit Judge, held that: (1) evidence was sufficient to establish that defendant's revised software was noninfringing; (2) Patent and Trademark Office (PTO) validly issued certificate of correction to correct omission from patent of appendix containing relevant software code; (3) addressing an issue of first impression, certificate was only effective for causes of action arising after it was issued; and (4) district court's failure to construe claim limitation required vacation of its judgment and remand for further proceedings.

Vacated and remanded.

West Headnotes

[1] **Federal Courts** 764
170Bk764 Most Cited Cases

[1] **Federal Courts** 765
170Bk765 Most Cited Cases
In reviewing district court's ruling on a motion for judgment as a matter of law (JMOL), Court of Appeals determines whether, viewing the evidence in the light most favorable to the non-moving party, and giving the non-movant the benefit of all reasonable inferences, there is sufficient evidence of record to support a jury verdict in favor of the non-movant.

[2] **Federal Courts** 764
170Bk764 Most Cited Cases

[2] **Federal Courts** 765
170Bk765 Most Cited Cases

[2] **Federal Courts** 842
170Bk842 Most Cited Cases

[2] **Federal Courts** 844
170Bk844 Most Cited Cases

[2] **Federal Courts** 845
170Bk845 Most Cited Cases
In reviewing the propriety of the grant of judgment as a matter of law (JMOL), Court of Appeals does not weigh the evidence, consider the credibility of witnesses, or decide disputed facts; instead, the test is whether there can be but one conclusion as to the verdict that reasonable jurors could have reached.

[3] **Patents** 314(5)
291k314(5) Most Cited Cases
Patent infringement is a question of fact.

[4] **Federal Courts** 629
170Bk629 Most Cited Cases
Failing to properly move for judgment as a matter of law (JMOL) at the close of the evidence precludes a challenge to the sufficiency of the evidence underlying fact findings.

[5] **Patents** 324.1
291k324.1 Most Cited Cases
Whether statute prohibiting supplying or causing to be supplied components of a patented combination outside the United States applied to method claims would not be considered for the first time on appeal. 35 U.S.C.A. § 271(f).

[6] **Courts** 96(7)
106k96(7) Most Cited Cases
Law of the regional circuit where the appeal from the district court normally would lie applied to Federal Circuit's review of denial of motion for new trial in patent case.

[7] **Federal Civil Procedure** 2313
170Ak2313 Most Cited Cases

[7] **Federal Courts** 825.1
170Bk825.1 Most Cited Cases
In the Fifth Circuit, the decision to grant or deny a motion for a new trial is within the discretion of the trial court and will not be disturbed absent an abuse of discretion or a misapprehension of the law.

[8] **Federal Courts** 825.1
170Bk825.1 Most Cited Cases
In the Fifth Circuit, the denial of a motion for new trial will be affirmed unless, on appeal, the party that was the movant in district court makes a clear showing of an absolute absence of evidence to support the jury's verdict, thus indicating that the trial court abused its discretion in refusing to find the jury's verdict contrary to the great weight of the evidence.

[9] **Patents** 312(6)
291k312(6) Most Cited Cases
Evidence that alleged infringer's revised desktop publishing software included a manual step which avoided the automatic selection feature of patented method for calibrating halftone output images, even though the code for automatic selection remained in place, was substantial evidence supporting jury's verdict finding that the revised software was noninfringing.

[10] **Patents** 126
291k126 Most Cited Cases
Patent and Trademark Office (PTO) validly issued certificate of correction to correct omission from patent of appendix containing relevant software code, where appendix had been filed with patent application and was not originally published because it had been misplaced or lost by the PTO. 35 U.S.C.A. § 254.

[11] **Patents** 314(6)
291k314(6) Most Cited Cases
Whether Patent and Trademark Office (PTO) validly issued certificate of correction was properly preserved for consideration by the district court after jury's verdict in patent infringement action, where parties agreed at motions hearing that no evidence would be presented or argument made to the jury with respect to the issues surrounding the certificate of correction, and that such issues would be raised after trial. 35 U.S.C.A. § 254.

[12] **Patents** 126
291k126 Most Cited Cases
Certificate of correction issued by Patent and Trademark Office (PTO) to correct omission of appendix from patent was only effective for causes of action arising after it was issued, and was not effective in pre-certificate infringement suit. 35 U.S.C.A. § 254.

[13] **Statutes** 188
361k188 Most Cited Cases
Court of Appeals begins the process of statutory interpretation with the language of the statute.

[14] **Statutes** 188
361k188 Most Cited Cases
If the language of a statute is clear, the plain meaning is conclusive.

[15] **Patents** 126
291k126 Most Cited Cases
Statute governing Patent and Trademark Office's (PTO) issuance of certificates of correction requires that, for causes arising after the PTO issues a certificate of correction, the certificate of correction is to be treated as part of the original patent, as if the certificate had been issued along with the original patent; for causes arising before its issuance, the certificate of correction is not effective. 35 U.S.C.A. § 254.

[16] **Patents** 126
291k126 Most Cited Cases
Any invalidity of patent arising from absence of appendix containing relevant software code from patent applied only to causes arising before Patent and Trademark Office (PTO) issued certificate of correction to add the appendix; any invalidity ceased when the PTO issued the certificate. 35 U.S.C.A. § 254.

[17] **Patents** 324.1
291k324.1 Most Cited Cases
Alleged infringers could not challenge underlying facts relating to issues of whether patent was invalid for obviousness, lack of enablement, failure to disclose best mode, indefiniteness, lack of adequate written description, or lack of utility, where they did not raise such arguments in motion for judgment as a matter of law (JMOL) at the close of all evidence; alleged infringers could only challenge judgment on ground that district court committed error of law or abused its discretion. 35 U.S.C.A. § § 101, 112; Fed.Rules Civ.Proc.Rule 50, 28 U.S.C.A.

[18] **Patents** 324.60

291k324.60 Most Cited Cases
District court's failure to construe "mapping means" limitation of apparatus claims in patents for method of calibrating halftone output images during desktop publishing required vacation of its judgment finding that the claims were not infringed and remand for further proceedings on the infringement issue.

***1282** David D. Bahler, Arnold, White & Durkee, of Austin, Texas, argued for plaintiff-cross appellant. With him on the brief were Amber L. Hatfield and G. Scott Thomas. Of counsel on the brief were Scott R. Kidd, Raymond L. Sturm, and Walter H. Mizell, Brown McCarroll & Oaks Hartline, of Austin, Texas.

Thomas H. Watkins, Hilgers & Watkins, P.C., of Austin, Texas, argued for defendants-appellants. With him on the brief was Albert A. Carrion, Jr. Of counsel on the brief were John J. Regan, Hale and Dorr LLP, of Boston, Massachusetts, and Michael P. Adams, Skjerven, Morrill, MacPherson, Franklin & Friel, L.L.P., of Austin, Texas.

Before MICHEL, Circuit Judge, SKELTON, Senior Circuit Judge, and SCHALL, Circuit Judge.

SCHALL, Circuit Judge.

Harlequin Incorporated and Harlequin Limited (collectively "Harlequin") and ECRM Trust ("ECRM") appeal from the judgment of patent infringement entered against them in the United States District Court for the Western District of Texas. The judgment was entered upon a jury verdict. The jury found that: (1) claim 1 of Southwest Software, Inc.'s ("Southwest's") reexamined U.S. Patent No. B1 5,170,257 (the " '257 patent") is not invalid; (2) claim 1 of the '257 patent was directly infringed by Harlequin and ECRM, both literally and under the doctrine of equivalents; and (3) Harlequin and ECRM had induced infringement of claim 1, had contributorily infringed claim 1, and also had infringed claim 1 by supplying or causing to be supplied components of a patented combination outside the United States, in violation of 35 U.S.C. § 271(f). [FN1] *See *1283 Southwest Software, Inc. v. Harlequin, Inc.*, No. A 95-CA-032 SS (W.D.Tex. Sept. 30, 1998).

> FN1. Unless otherwise indicated, all statutory references are to the 1994 version of the United States Code.

The '257 patent is directed to a method and apparatus used in the printing industry to enhance the quality of printed images. The jury found that claim 1 of the '257 patent was infringed by ScriptWorks Version 3.3-Revision 6 ("ScriptWorks Revision 6"), a Harlequin software product, and awarded damages based upon that infringement. *See id.* The jury, however, did not find infringement of claim 1 of the '257 patent by ScriptWorks Version 3.3- Revision 7 ("ScriptWorks Revision 7"), another Harlequin software product. *See id.* The district court denied Harlequin's and ECRM's motion for judgment as a matter of law ("JMOL") that they did not infringe claim 1 of the '257 patent and that claim 1 is invalid.

Southwest cross-appeals from the judgment that claim 1 of the '257 patent was not infringed by ScriptWorks Revision 7. In so doing, it challenges the jury's verdict of noninfringement and the district court's denial of a new trial on the infringement issue. Southwest also cross-appeals the district court's grant of Harlequin's and ECRM's motion for JMOL that claim 11 of the '257 patent and claim 10 of Southwest's U.S. Patent No. 5,245,443 (the " '443 patent") were not infringed by either ScriptWorks Revision 6 or 7. The '443 patent is a continuation of the '257 patent.

The judgment of the district court is vacated and the case is remanded for further proceedings. As far as Harlequin's and ECRM's appeal is concerned, we see no error in the district court's denial of Harlequin's and ECRM's motion for JMOL on the issue of infringement of claim 1 of the '257 patent by ScriptWorks Revision 6. We conclude that the denial of JMOL on the issue of the validity of claim 1 of the '257 patent was erroneous, however. Specifically, because we hold that a certificate of correction that was issued under 35 U.S.C. § 254 to add certain material to the '257 patent is not effective for purposes of this action, the district court must determine on remand whether, absent the added material, claim 1 of the '257 patent is invalid for purposes of this action because the patent's specification fails to satisfy the best mode and enablement requirements of 35 U.S.C. § 112, ¶ 1.

As far as Southwest's cross-appeal is concerned, we see no error in the district court's denial of a new trial on the issue of infringement of claim 1 of the '257 patent by ScriptWorks Revision 7. However, because the district court failed to construe the relevant claim limitation, we vacate the court's grant of Harlequin's and ECRM's motion for JMOL that claim 11 of the '257 patent and claim 10 of the '443 patent were not infringed by ScriptWorks Revision 6 or 7 and remand for further proceedings on those issues.

BACKGROUND

I. The Technology Involved

The technology at issue in this case is designed to enhance the quality of printed images. Its primary use is in the printing industry.

Today, computer "desktop publishing" programs allow a user to create an image on a computer screen that represents the image that eventually will be printed. After the image is created on the computer screen, it is sent from the computer to an imagesetter for printing.

The imagesetter receives commands and data from the computer and then produces what is called an "output image" on film or paper. The output image typically is used to make contact printing plates. One desirable feature of an imagesetter is the ability to provide tone reproduction in which the shades of the printed image are the same as the shades called for by the data sent from the computer.

Conventional printing processes cannot reproduce continuous tone tints or images ("contones"). Instead, the process of "halftoning" is used to create the variety of ink shades necessary to print images. In the halftone process, shades of gray are *1284 approximated by applying variously sized ink dots of black ink within the area which is to be shaded. This creates an optical illusion in which the area appears as a continuous shade of gray. Small dots render light shades, while large dots render dark shades. "Dot percentage" is the percentage of the paper or film that is blackened by the ink dots. Dot percentage ranges from 0% marking (i.e., white) to 100% marking (i.e., black). Each shade of gray is denoted by a "gray value."

"Calibration" is used to adjust the imagesetter's output so that the gray values requested from a computer application program (for example, desktop publishing software) are the same as those actually produced as output (for example, on film). Without calibration, the imagesetter tends to produce a darker shade of gray than desired--although both 0% and 100% dot areas are always achievable without calibration. For example, if the application program requests a gray value of 48%, the imagesetter might actually produce a gray value of 50%. Therefore, in order to produce a gray value of 50%, the imagesetter must be requested to produce a gray value of 48%.

Calibration involves taking the requested gray values from the computer application program and processing the values by way of a "look-up table" to produce adjusted data. The input to the look-up table is the desired gray shade; the output of the look-up table is the actual value that must be applied to the imagesetter to achieve the desired shade. In the example above, the input to the look-up table would be the desired gray value of 50%, and the output of the look-up table would be the actual value to be supplied to the imagesetter, or 48%. The adjusted data from the look-up table is used by the imagesetter to produce the desired gray shade in the output (for example, on film).

Before it can be used, the look-up table must be created. Part of the calibration process involves finding the correct numbers, or values, to put into the look-up table. The numbers in the look-up table are the "calibration set." To create the calibration set used to perform the calibration process, a test image consisting of several patches of various shades of gray is fed into the system. An output image is then made with no calibration. Next, the uncalibrated gray values that were printed are measured with a tool called a "densitometer." Based on these measurements, a calibration set is calculated using the differences between the desired gray values and the actual gray values printed without calibration. The calibration set then is used to fill in the values in the look-up table.

Thereafter, the look-up table will produce the shades of gray that correspond to the desired shades of gray provided by the input computer data. A separate calibration set is needed for each possible combination of printing parameters--such as image resolution, intensity, and screen frequency. Therefore, a large number of calibration sets may be needed for each imagesetter in order to account for all of the combinations of printing parameters that may be used.

II. The Patents at Issue

The '257 patent

The '257 patent is directed to a method and apparatus for calibrating halftone output images. It "programmably selects" a specific calibration set depending on imagesetter variables such as image resolution, exposure intensity, and screen frequency. The application for the '257 patent was filed on October 2, 1990; the patent issued on December 8, 1992.

Under the invention, halftone test pattern images first are created in a page description language, such as "PostScript." [FN2] *See* '257 patent, col. 8, l. 67 to

***1285** col. 9, l. 1. The page description language then is sent to an imagesetter, which consists of a raster image processor [FN3] and a recorder. *See id.* at col. 9, ll. 1-4. The raster image processor converts the page description language into a raster format, which is then sent to the recorder. *See id.* at col. 9, ll. 3-4. Based upon the raster format provided by the raster image processor, the recorder produces the halftone input image on a selected medium and delivers the medium to a photoprocessor for chemical processing and development. *See id.* at col. 9, ll. 5-7. Output from the photoprocessor is in the form of uncalibrated test pattern images. *See id.* at col. 9, ll. 65-68.

> FN2. Page description language is a computer language representation of the desired image that indicates where dots should be placed on the page. Postscript is the dominant page description language in the industry.
>
> FN3. The raster image processor converts the page description language from an application program (for example, desktop publishing software) to a "raster." A raster is a grid of lines, and is made up of individual "pixel" dots, which can be either on or off.

The operator then measures the gray scales of the uncalibrated test pattern images with a standard dot-area densitometer. *See id.* at col. 10, ll. 10-13. The record of these gray scale measurements constitutes a calibration set. *See id.* at col. 10, ll. 13-16. The calibration set is stored in the raster image processor where it is used with a transfer function to adjust the imagesetter's halftone response to input data. Multiple calibration sets may be created. *See id.* at col. 10, ll. 16-17.

Once calibration sets are obtained, subsequent halftone input images are calibrated by the imagesetter in accordance with an appropriate calibration set and transfer function. *See id.* at col. 10, ll. 25-28. Thus, for subsequent halftone input images, a selector in the raster image processor selects a calibration set that is appropriate given the current system conditions such as, for example, exposure intensity, media, resolution, screen frequency, etc. *See id.* at col. 10, ll. 28-34.

The '257 patent was the subject of a reexamination proceeding. The reexamined '257 patent was issued on February 7, 1995. Claim 1, as modified in the reexamination, recites:

> 1. A method of calibrating halftone output images form [sic] an imagesetting device, comprising:
> providing a halftone input image, each said input image including a plurality of requested gray value densities, each said input image being a function of image resolution, exposure intensity and screen frequency;
> reproducing said halftone images onto a photographic media;
> chemically processing said media to manifest the exposure thereon;
> measuring the density of each said requested gray value of each said halftone input image by a densitometer;
> generating a plurality of calibration sets in accordance with said measuring step, each said calibration set corresponding to any variation between said requested gray value density and said respective measured density reading for each said half-tone input image at various said image resolutions, said exposure intensity and said screen frequency; and,
> converting *a* subsequent plurality of halftone input images to a respective plurality of calibrated halftone output images according to changes made to said subsequent halftone input images by said calibration sets, *by programmably selecting a particular calibration set of said plurality of calibration sets to be used to convert one of said subsequent plurality of halftone input images depending upon said imagesetting device current settings of said image resolution, said exposure intensity and said screen frequency.*
> (additions made during reexamination in italics).

The patentability of claim 11 of the '257 patent was confirmed in the reexamination. Claim 11 recites:

> ***1286** 11. An apparatus for generating calibrated halftone output images from an imagesetting device, comprising:
> a halftone input image including a plurality of gray values, each said gray value having a requested density value;
> means for converting said input image into a page description language;
> a raster image processor having a channel for receiving said page description language and converting said language into a raster representation of said halftone input image;
> a recorder connected to said raster image processor, said recorder includes a modulated light source to expose said raster representation onto a photographic media;
> a photoprocessor configured to receive said

photographic media for chemically developing said media;
a densitometer for measuring amount of density of each said gray value of said developed photographic medium;
a computer for receiving a plurality of programmed calibration sets, said sets include variations between measured density of said densitometer and corresponding said requested density;
a subsequent uncalibrated halftone input image, said subsequent halftone input image converted into said page description language and inputted to said computer;
a selector accessed by said computer for receiving said subsequent halftone input images and selecting a corresponding said calibration set stored in said computer to programmably adjust said uncalibrated halftone input image to said calibrated output halftone image; and,
mapping means for mapping either positive or negative sense representations of said subsequent uncalibrated halftone input images through said raster image processor, said recorder, said photoprocessor and outputted as calibrated said halftone output images on said photographic media.

The '443 patent

The '443 patent is a continuation of the '257 patent. The application for the '443 patent was filed on July 7, 1992; the patent issued on September 14, 1993.

Claim 10 of the '443 patent recites:

10. An apparatus for generating calibrated output images from a[sic] image generating device, comprising:
a means for converting an input image into a page description language, said input image including a plurality of image density values, each said image density value having a requested density value;
an image processor having a channel for receiving said page description language and converting said language into a representation of said input image;
a recorder connected to said image processor, for recording said representation onto image bearing media;
a densitometer for measuring a density of each said image density value of said recorded image;
a computer for receiving a plurality of programmed calibration sets, said sets including variations between density measured by said densitometer and corresponding requested density;
a selector accessed by said computer for receiving subsequent uncalibrated input images represented in said page description language, and for selecting a corresponding said calibration set stored in said computer to programmably adjust said uncalibrated input image to said calibrated output image; and
mapping means for mapping either positive or negative sense representations of said subsequent uncalibrated input images through said image processor, and said recorder, to be output as said calibrated output images on said image bearing media.

***1287** III. Southwest's Lawsuit Against Harlequin and ECRM

The parties and the accused products

Southwest is the owner of the '257 and '443 patents. Harlequin Incorporated and Harlequin Limited are companies owned by the Harlequin Group, an English software company. (As noted above, we refer to these two parties collectively as "Harlequin.") Harlequin developed ScriptWorks Revision 6, a raster image processor software product with a built-in calibration feature, as part of its ScriptWorks family of raster image processor software products. The main function of ScriptWorks Revision 6 is to convert computer code describing an image to be printed from an initial representation to a "raster" representation that can be applied directly to a printing mechanism. ScriptWorks Revision 6 also performs calibration. ECRM is a Delaware corporation. It manufactures imagesetters and is a customer of Harlequin. In particular, ECRM makes and sells an imagesetter known as the "Scriptsetter," which includes Harlequin's software raster image processor.

On January 20, 1995, Southwest sued Harlequin and ECRM for infringement of claims 1, 7, and 11 of the '257 patent and claims 6, 10, and 11 of the '443 patent by Harlequin's ScriptWorks Revision 6. [FN4] After the suit was filed, Harlequin took action to "defeature" the automatic selection of calibration set feature of its accused product. The "defeatured" product was ScriptWorks Revision 7. With this "defeaturing," users of Harlequin's raster image processor could no longer activate the automatic calibration feature. Instead, they were required to manually select a calibration set from a computer menu.

FN4. Prior to trial, Southwest decided to pursue its action only with respect to claims 1 and 11 of the '257 patent and claim 10 of the '443 patent.

The automatic selection source code used in ScriptWorks Revision 6 was not removed from ScriptWorks Revision 7. Instead, using a common industry practice, the source code was modified so that the automatic selection feature could not be invoked during normal operation of the software. However, ScriptWorks Revision 7 does contain a "warn system." This "warn system" alerts an operator when the manually selected calibration set is inappropriate for the job, but it does not suggest or select a better calibration set. The operator must manually select the calibration set.

Proceedings in the district court

In August of 1996, Harlequin noted that there was missing from the certified copy of the '257 patent a "Program Printout Appendix" containing PostScript code for the calibration feature of the invention. [FN5] Shortly thereafter, Harlequin and ECRM filed a motion for summary judgment, in which they argued that, in view of the omission of the Program Printout Appendix, claims 1 and 11 of the '257 patent were invalid because the '257 patent's specification failed to meet the best mode and enablement requirements of 35 U.S.C. § 112, ¶ 1. They further argued that claims 1 and 11 of the '257 patent and claim 10 of the '443 patent were invalid due to anticipation and obviousness under 35 U.S.C. § § 102 and 103.

> FN5. The certified copy of the '443 patent has at all times included the Program Printout Appendix.

Southwest promptly requested that the Patent and Trademark Office ("PTO") issue a certificate of correction for the '257 patent under 35 U.S.C. § 254. In due course, the PTO issued a certificate of correction adding the Program Printout Appendix to the '257 patent. [FN6]

> FN6. This was the second certificate of correction that was issued with respect to the '257 patent. A previous certificate of correction had been issued to correct the error of a missing comma.

Harlequin and ECRM next moved for summary judgment that the certificate of correction was invalid and that, without the Program Printout Appendix as part of ***1288** the '257 patent, claims 1 and 11 were invalid, again, by reason of the specification's failure to satisfy the enablement and best mode requirements of 35 U.S.C. § 112, ¶ 1. Alternatively, they argued that, even if the certificate of correction was validly issued, it is not effective in this suit. Finally, Harlequin and ECRM asserted, as they had before, that apart from the matter of the certificate of correction, claims 1 and 11 of the '257 patent and claim 10 of the '443 patent were invalid because prior art either anticipated them under 35 U.S.C. § 102 or rendered them obvious under 35 U.S.C. § 103. On June 19, 1998, the district court denied Harlequin's and ECRM's motion without prejudice to their refiling it as a motion for JMOL at trial.

On August 17, 1998, a jury trial was held. In addition to denying infringement of claims 1 and 11 of the '257 patent, Harlequin and ECRM asserted that claims 1 and 11 were invalid due to anticipation, obviousness, lack of enablement, lack of definiteness, lack of an adequate written description, failure to disclose the best mode of practicing the invention, and lack of utility. However, Harlequin's and ECRM's arguments with respect to enablement and best mode as related to the certificate of correction issue were not presented to the jury. Harlequin and ECRM also denied infringement of claim 10 of the '443 patent. At the close of the evidence, Harlequin and ECRM moved for JMOL, but only on the issue of infringement. In particular, they contended that they did not infringe any of the asserted claims directly; they also contended that they did not induce infringement of, or contributorily infringe, any of the claims. However, they did not move for JMOL that they did not infringe claim 1 of the '257 patent under 35 U.S.C. § 271(f) by supplying or causing to be supplied components of a patented combination outside the United States. Before submitting the case to the jury, the district court granted the motion for JMOL of noninfringement as to claim 11 of the '257 patent and claim 10 of the '443 patent. Thus, the only issues submitted to the jury were infringement of claim 1 of the '257 patent and the validity of claim 1.

On August 28, 1998, the jury returned its verdict. As noted above, the jury found that Harlequin and ECRM had directly infringed claim 1 of the '257 patent, both literally and under the doctrine of equivalents. The jury also found that Harlequin and ECRM had induced infringement of claim 1, had contributorily infringed claim 1, and had infringed claim 1 under 35 U.S.C. § 271(f) because they had supplied or caused to be supplied components of a patented invention outside the United States. The device based upon which Harlequin and ECRM were found to have infringed was Harlequin's ScriptWorks Revision 6. No infringement was found by reason of ScriptWorks Revision 7. Further, the jury found

claim 1 of the '257 patent to be not invalid by reason of anticipation, obviousness, lack of enablement, lack of definiteness, lack of an adequate written description, failure to disclose best mode, or lack of utility. The jury awarded damages to Southwest for infringement of claim 1 by Harlequin in the amount of $459,412 and by ECRM in the amount of $93,112.

Harlequin and ECRM made a post-verdict motion for JMOL on the issues of both validity and infringement. After the motion was denied, they moved for a new trial on the issue of the validity of claim 1 of the '257 patent. In their motion, Harlequin and ECRM contended that the evidence at trial established as a matter of law that claim 1 was invalid for obviousness, lack of enablement, lack of definiteness, lack of an adequate written description, failure to disclose best mode, and lack of utility. Alternatively, they contended that the jury's verdict was against the great weight of the evidence on the validity issues. Harlequin and ECRM also renewed their arguments with respect to the certificate of correction that they had raised in their motion for summary judgment before trial. For its part, Southwest moved for a new trial on the issues of ***1289** infringement of claim 1 of the '257 patent by Harlequin's ScriptWorks Revision 7 and the amount of the jury's damages award. The district court denied all of these post-trial motions.

DISCUSSION

I. Introduction

In this section of the opinion we set forth the contentions of the parties and address those contentions that require only limited discussion.

Contentions of the parties

On appeal, Harlequin and ECRM challenge the jury's verdict of infringement of claim 1 of the '257 patent by Harlequin's ScriptWorks Revision 6; they also renew the argument made in their post-verdict motion for JMOL that claim 1 of the '257 patent is invalid. In that regard, they argue that the certificate of correction adding the Program Printout Appendix to the '257 patent is defective because it was issued in violation of 35 U.S.C. § 254. Thus, they contend that the Program Printout Appendix is not part of the '257 patent and that, as a consequence, the patent violates the best mode and enablement requirements of 35 U.S.C. § 112, ¶ 1. Alternatively, they argue that the certificate of correction is not effective for purposes of this suit. Harlequin and ECRM additionally contend that, in any event, claim 1 of the ' 257 patent is invalid for obviousness under 35 U.S.C. § 103. They also contend that claim 1 is invalid because the '257 patent does not teach how to calibrate halftone input images and, therefore, it fails to meet the enablement, best mode, and written description requirements of 35 U.S.C. § 112, ¶ 1, the definiteness requirement of 35 U.S.C. § 112, ¶ 2, and the utility requirement of 35 U.S.C. § 101. Harlequin and ECRM do not appeal the jury's verdict that the '257 patent is not anticipated. [FN7]

> FN7. Harlequin and ECRM assert in passing that the '443 patent is invalid due to an on-sale bar under 35 U.S.C. § 102(b) as a direct consequence of the '257 patent's defective or ineffective certificate of correction. Without the certificate of correction, they argue, the '257 patent is invalid due to failure to comply with the best mode and enablement requirements of 35 U.S.C. § 112, ¶ 1. Therefore, they, argue, the '443 patent should not be entitled to the benefit of the filing date of the '257 patent. According to Harlequin and ECRM, Southwest admitted to selling a software calibration product covered by the '257 and '443 patents more than one year before the filing date of the '443 patent. Having reviewed the record, however, we conclude that Harlequin and ECRM failed to adequately raise this issue before the district court. We therefore consider it waived. *See Finch v. Hughes Aircraft Co.*, 926 F.2d 1574, 1577, 17 USPQ2d 1914, 1916 (Fed.Cir.1991) ("[A]bsent exceptional circumstances, a party cannot raise on appeal legal issues not raised and considered in the trial forum.").

On cross-appeal, Southwest challenges the jury verdict of noninfringement of claim 1 of the '257 patent by ScriptWorks Revision 7, as well as the district court's denial of a new trial on the issue. Southwest also challenges the district court's grant of JMOL of noninfringement of claim 11 of the ' 257 patent and claim 10 of the '443 patent by Harlequin's ScriptWorks Revisions 6 and 7.

Harlequin's and ECRM's arguments relating to infringement of the '257 patent

[1][2] We review the district court's ruling on a motion for JMOL by reapplying the JMOL standard. *See Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 975, 34 USPQ2d 1321, 1326 (Fed.Cir.1995) (en banc), *aff'd*, 517 U.S. 370, 116 S.Ct. 1384, 134

L.Ed.2d 577 (1996); *Harrington v. Harris*, 118 F.3d 359, 367 (5th Cir.1997). We determine whether, "viewing the evidence in the light most favorable to the non-moving party," and giving the non-movant "the benefit of all reasonable inferences," there is sufficient evidence of record to support a jury verdict in favor of the non-movant. *Allied Colloids Inc. v. American Cyanamid Co.*, 64 F.3d 1570, 1573, 35 USPQ2d 1840, 1841 (Fed.Cir.1995); *see Harrington*, 118 F.3d at 367. In reviewing the propriety of the grant of JMOL we do not weigh the evidence, consider the credibility of witnesses, or decide ***1290** disputed facts. *See Allied Colloids*, 64 F.3d at 1573, 35 USPQ2d at 1841; *Harrington*, 118 F.3d at 367. Instead, the test we apply is whether "there can be but one conclusion as to the verdict that reasonable jurors could have reached." *Allied Colloids*, 64 F.3d at 1573, 35 USPQ2d at 1841 (citations and quotations omitted); *see Harrington*, 118 F.3d at 367.

We have carefully considered all of the issues relating to infringement raised by Harlequin and ECRM. Having done so, we discern no error in the district court's denial of Harlequin's and ECRM's JMOL motion on the issues of direct infringement of claim 1 of the '257 patent and contributory infringement and inducement of infringement of claim 1 by ScriptWorks Revision 6.

The jury also found infringement on the part of Harlequin and ECRM for supplying or causing to be supplied components of a patented combination outside the United States, in violation of 35 U.S.C. § 271(f). Harlequin and ECRM argue that they cannot be liable as a matter of law for infringement under § 271(f) because there was not substantial evidence of a third party outside the United States actually combining components supplied by them in a manner that would infringe claim 1 of the '257 patent. They also argue that § 271(f) only covers apparatus claims, and, because claim 1 is a method claim, § 271(f) does not apply. Southwest argues that Harlequin and ECRM waived their § 271(f) argument because they did not move for JMOL of noninfringement under § 271(f) at trial and did not challenge submission of the issue to the jury.

[3][4][5] Infringement is a question of fact. *See Optical Disc Corp. v. Del Mar Avionics*, 208 F.3d 1324, 1333-34, 54 USPQ2d 1289, 1294-95 (Fed.Cir.2000). Failing to properly move for JMOL at the close of the evidence precludes a challenge to the sufficiency of the evidence underlying fact findings. *See Young Dental Mfg. Co. v. Q3 Special Prods., Inc.*, 112 F.3d 1137, 1141, 42 USPQ2d 1589, 1592 (Fed.Cir.1997). Here, Harlequin and ECRM did not properly move for JMOL concerning infringement under § 271(f). This means that they may not challenge the sufficiency of the evidence on this issue. Moreover, Harlequin's and ECRM's argument concerning the application of § 271 to method claims was raised for the first time on appeal; for that reason, we will not consider it. *See Sage Prods., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1426, 44 USPQ2d 1103, 1108 (Fed.Cir.1997).

Based upon the foregoing, we will not disturb the district court's denial of Harlequin's and ECRM's motion for JMOL with respect to the issue of infringement of claim 1 of the '257 patent. We address in Part II below the issue of the validity of claim 1 of the '257 patent.

Southwest's challenge to the denial of its request for a new trial

[6][7][8] Turning to Southwest's cross-appeal, we note that the denial of a motion for a new trial is a procedural issue not unique to patent law. Therefore, we apply the law of the regional circuit where the appeal from the district court normally would lie--in this case, the Fifth Circuit. *See WMS Gaming Inc. v. International Game Tech.*, 184 F.3d 1339, 1361, 51 USPQ2d 1385, 1401 (Fed.Cir.1999). In the Fifth Circuit, "[t]he decision to grant or deny a motion for a new trial is within the discretion of the trial court and will not be disturbed absent an abuse of discretion or a misapprehension of the law." *Pryania Park Hotel, Ltd. v. General Star Indem. Co.*, 179 F.3d 169, 173 (5th Cir.1999) (citing *Mitchell v. Lone Star Ammunition, Inc.*, 913 F.2d 242, 252 (5th Cir.1990)). The denial of a motion for new trial will be affirmed "unless, on appeal, the party that was the movant in district court makes a clear showing of an absolute absence of evidence to support the jury's verdict, thus indicating that the trial court ... abused its discretion in refusing to find the jury's verdict contrary to the great weight of the evidence." *Rutherford v. Harris County*, 197 F.3d 173, 179 (5th Cir.1999) (citations and quotations omitted). "[R]eview of the ***1291** denial of a new trial motion is more limited than when one is granted." *Id.* (citations and quotations omitted).

[9] Southwest argues that the district court erred by failing to grant its motion for a new trial on the issue of infringement of claim 1 of the '257 patent by ScriptWorks Revision 7. Southwest argues that the jury's verdict was against the great weight of the

evidence because the same computer code found in ScriptWorks Revision 6 is still contained in ScriptWorks Revision 7. In response, Harlequin argues that the jury's verdict is supported by substantial evidence and that the district court did not abuse its discretion in denying the motion.

Southwest has not met its burden on this issue. There was substantial evidence to support the jury's verdict. Specifically, there was evidence indicating that ScriptWorks Revision 7 included a manual step which avoided the automatic selection feature of the patented invention even though the code for automatic selection remained in place. The district court did not abuse its discretion in refusing to grant a new trial. We address in Part III below Southwest's challenge to the district court's judgment of noninfringement of claim 11 of the '257 patent and claim 10 of the '443 patent.

II. Harlequin's and ECRM's Appeal

Validity

[10] 1. Harlequin's and ECRM's main argument relating to the validity of claim 1 of the '257 patent grows out of the issuance of the second certificate of correction. As noted above, the second certificate of correction was issued to correct the omission of the Program Printout Appendix from the '257 patent.

The "BACKGROUND OF THE INVENTION" section of the '257 patent states that:

> Incorporated herein is a computer program listing printout appendix of source code used to generate calibration sets and calibration transfer functions of a test pattern to enable calibration of halftone output images according to the present invention. Copyright, 1990, Softwest [sic] Software Inc. A portion of the disclosure of this patent document contains material which is subject to copyright protection. The copyright owner has no objection to the facsimile reproduction by anyone of the "Program Printout Appendix", as it appears in the Patent and Trademark Office Patent file or records, but otherwise reserves all copyright rights whatsoever.

'257 patent, col. 1, ll. 8-19.

When it was discovered that the certified copy of the '257 patent was missing the Program Printout Appendix, which contained PostScript code for the calibration feature, Southwest requested that the PTO issue a certificate of correction under 35 U.S.C. § 254 to add the appendix. Southwest stated that the omission was due to a printing mistake by the PTO. It also stated that the error was disclosed in the records of the PTO, and it presented affidavits and Express Mail mailing receipts in support of its claim. As noted above, the PTO granted the request and issued a certificate of correction adding the Program Printout Appendix to the patent. The PTO determined that the appendix had been filed with the application for the '257 patent and that the separation and loss of the appendix, as well as the failure to print the appendix in the issued patent, were the result of an error on its part. The PTO effected the correction by doing two things. First, it added the following sentence at the end of the paragraph quoted above: "A complete copy of the Program Printout Appendix is included." Second, it inserted the Appendix after line 63 in column 13 of the patent, immediately before the recitation of the claims. This is the same place at which the Program Printout Appendix appears in the '443 patent.

As in effect during this litigation, 35 U.S.C. § 254, entitled "Certificate of correction of Patent and Trademark Office mistake," provided as follows:

> ***1292** Whenever a mistake in a patent, incurred through the fault of the Patent and Trademark Office, is clearly disclosed by the records of the Office, the Commissioner may issue a certificate of correction stating the fact and nature of such mistake, under seal, without charge, to be recorded in the records of patents. A printed copy thereof shall be attached to each printed copy of the patent, and such certificate shall be considered as part of the original patent. Every such patent, together with such certificate, shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form. The Commissioner may issue a corrected patent without charge in lieu of and with like effect as a certificate of correction. [FN8]
>
> FN8. The only difference between the statute then in effect and the statute in its present form is that "Commissioner" has been replaced with "Director" throughout the statute. *See* 35 U.S.C.A. § 254 (West Supp.2000).

Harlequin and ECRM argue that the certificate of correction is invalid because it was issued in violation of 35 U.S.C. § 254. Specifically, they assert that the omission of the Program Printout Appendix from the '257 patent was not "the fault of the [PTO]" and was not "clearly disclosed by the records of the [PTO]" as required by the statute.

According to Harlequin and ECRM, the PTO's decision to issue the certificate of correction was improperly based on extrinsic evidence that Southwest submitted in support of its request, and the PTO's records alone do not clearly disclose a mistake by the PTO. Further, they argue that the extrinsic evidence of record actually shows that the omission of the Program Printout Appendix was the fault of Southwest and not the PTO. As a result, Harlequin and ECRM urge that the certificate of correction should be declared invalid as a matter of law. If the certificate of correction is invalid and the Program Printout Appendix is not part of the patent, Harlequin and ECRM argue, claim 1 of the '257 patent is invalid because the specification fails to satisfy the best mode and enablement requirements of 35 U.S.C. § 112, ¶ 1. Southwest responds that Harlequin and ECRM never properly raised before the jury or the district court the underlying factual issues relating to the issuance of the certificate of correction and that, in any event, the certificate of correction's issuance was supported by the PTO's internal records and the PTO properly considered extrinsic evidence in deciding to issue the certificate.

[11] Southwest is correct that no evidence was presented to the jury on the issue of whether the PTO properly issued the certificate of correction. Neither did Harlequin and ECRM move for JMOL on the issue at the close of the evidence. Rather, they raised the issue in a post-verdict motion for JMOL. We believe, however, that the issue was properly preserved for consideration by the district court after the jury verdict. In paragraph three of a pre-trial motion in limine, Southwest sought to exclude the introduction of "[a]ny reference to, comment concerning, or evidence pertaining to defendants' allegations of inequitable conduct and unclean hands in front of the jury.... Accordingly, any factual issues related to those claimed defenses concerning the '257 Certificate of Correction should be heard and determined solely by the Court."

At a motions hearing before trial, the parties and the district court appeared to agree that all fact issues relating to the certificate of correction would be reserved until after trial. The following exchange took place:

MR. WATKINS [counsel for Harlequin]:

* * * * * *

I don't have any objection to carving that little piece--is the certificate of correction valid and is there any inequitable conduct relating to the obtaining of the certificate of correction--and putting it *1293 off until after we get through with this trial.

* * * * * *

Now, we--we have to decide what we're going to do with the certificate of correction during the trial of this cause. And my suggestion to the court and to counsel is that it's there, it's part of the patent, we just try it and we don't fight about if it's any good or not, and we just preserve that until we get past of [sic] the end of this trial. Because I think that's the only way we can get to the jury on this. We will have an argument post-verdict about the retroactive effect of any rights that they claim under the certificate of correction, and I just think all of that can wait until then.

* * * * * *

But for purposes of our trial, Judge, I really think--and I need to have Scott [Kidd, counsel for Southwest] respond to this--that we just hold all that off, you grant his motion in limine that we can't complain about inequitable conduct as it relates to the certificate of correction, and we try the case as though the certificate of correction is part of the patent, which it is, and then see if we ever really get to that.

MR. KIDD [counsel for Southwest]:

Yes, sir. I think we can do that. I hadn't particularly planned on it being postponed any period of time, other than perhaps one afternoon during the trial of this case. But specifically, that Paragraph 3 [of the motion in limine] was relating specifically to the certificate of correction. And I wasn't talking about the original issue of the '257. So I think we can do that.

THE COURT:

All right. Well, I'll grant ... [paragraph] 3 [of the motion in limine] as not contested.... I'm not so sure that this issue isn't going to be a lot more important at some date because--well, it shouldn't be but it is, and who--who sustains the detriment of his, her, its or their or thems [sic] conduct, I don't know, but it's very difficult to apply all of these concepts in the patent law when you have got a factual matter as screwed up as this one is.

Based upon this colloquy, we conclude that the parties agreed, and the district court ruled, that no evidence would be presented or argument made to the jury with respect to the issues surrounding the certificate of correction. Instead, after trial, Harlequin and ECRM would raise these issues, including the issue of the effectiveness of the certificate of correction in this action. Thus, as far as all validity

issues were concerned, the case was to be tried as if the Program Printout Appendix was part of the '257 patent.

At a post-verdict hearing, the district court stated that it considered issues surrounding the certificate of correction to be properly preserved for decision. As far as the merits were concerned, the court determined that the Program Printout Appendix had been misplaced or lost by the PTO and that, therefore, the omission of the appendix from the '257 patent was the fault of the PTO. We discern no clear error in the district court's findings and therefore affirm the ruling that the certificate of correction was not issued in violation of § 254. The court, however, did not address the issue of the effective date of the certificate of correction or the consequences if the certificate is not effective for purposes of this suit.

[12] 2. In what appears to be an issue of first impression, Harlequin and ECRM renew their alternative argument that, even if the certificate of correction was validly issued, it should not be given any effect in the instant lawsuit. Specifically, they contend that, under the express language of 35 U.S.C. § 254, a certificate of correction is only effective for causes of action arising after it is issued. According to Harlequin and ECRM, because Southwest filed its lawsuit on January 20, 1995, and the certificate of correction was not issued until April 1, 1997, the certificate has no effect in this case and the Program Printout Appendix cannot be considered ***1294** part of the '257 patent. Without the Program Printout Appendix, they assert, the '257 patent violates the best mode and enablement requirements of 35 U.S.C. § 112, ¶ 1. Consequently, claim 1 of the patent is deemed invalid, at least for purposes of this suit.

Southwest responds that the certificate of correction should be treated as if it were effective on the day the '257 patent issued. It contends that the language in 35 U.S.C. § 254 that "such certificate shall be considered as part of the original patent" would be nullified and rendered mere surplusage if the certificate of correction only were to apply prospectively from its issue date. In other words, according to Southwest, the certificate of correction could not be considered "as part of the original patent" if it was only effective as of the date it issued. Southwest urges that the only way to harmonize all parts of § 254 is to interpret the statute to require that "[e]very such patent" relate to "the original patent" so that the "causes thereafter arising" language in the statute refers to causes arising after the date of the original patent.

[13][14] We begin the process of statutory interpretation with the language of the statute. *See Van Wersch v. Department of Health & Human Servs.*, 197 F.3d 1144, 1148 (Fed.Cir.1999) (citing *VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574, 1579, 16 USPQ2d 1614, 1618 (Fed.Cir.1990)). If the language is clear, the plain meaning is conclusive. *See id.* at 1152 (holding that Congressional intent, as clearly expressed in legislative history, could not "trump the irrefutably plain [statutory] language that emerged when Congress actually took pen to paper"). [FN9]

FN9. Neither party cites to the legislative history of 35 U.S.C. § 254. This is understandable, as it sheds little light on the issue before us. Section 254 was originally enacted by the Patent Act of 1925. *See* Patent Act of Mar. 4, 1925, ch. 535, 43 Stat. 1268 (1925) (current version at 35 U.S.C. § 254 (Supp.2000)). Its purpose was "to save time and money and also promote efficiency in the operation of the Patent Office" because, when errors are detected that "are clearly clerical errors ... [the Patent Office will] append a certificate of correction to the patent to show that the error was a typographical error, and the certificate explains this, and the certificate obviates the necessity of reprinting the entire patent." 65 Cong. Rec. 6,842-43 (1924) (statement of Rep. Lanham). The statute "saves expense. It saves the reprinting of patents and allows the offering of these amended patents, with these certificates in them, in evidence rather than requiring a reprint of the entire patent." *Id.* at 6,843. The 1925 version of the statute provided as follows:

> That whenever a mistake in a patent or trade-mark registration, incurred through the fault of the Patent Office, is clearly disclosed by the records or files of the office, a certificate, stating the fact and nature of such mistake, signed by the Commissioner of Patents and sealed with the seal of the Patent Office, may be issued, without charge, and recorded in the records of patents or trade-marks, and a printed copy thereof attached to each printed copy of the patent or trade-mark registration, and such certificate shall thereafter be considered as part of the original, and every patent or trade-mark registration, together with such certificate, shall have the same effect and

> operation in law on the trial of all actions for causes thereafter arising as if the same had been originally issued in such corrected form. All such certificates heretofore issued in accordance with the rules of the Patent Office and the patents or trade-mark registrations to which they are attached shall have the same force and effect as if such certificates had been specifically authorized by statute.
>
> Patent Act of Mar. 4, 1925, ch. 535, 43 Stat. 1268-69 (1925) (current version at 35 U.S.C.A. § 254 (West Supp.2000)).
>
> The current version of § 254 is substantially similar to the 1925 statute.

Southwest's cause of action against Harlequin and ECRM arose before the certificate of correction was issued. We hold that the certificate of correction that added the Program Printout Appendix is not to be given effect in this pre-certificate lawsuit. The certificate of correction is only effective for causes of action arising after it was issued. This interpretation of § 254 is based upon the language of the statute.

[15] Section 254 provides that "[a] printed copy [of the certificate of correction] ***1295** shall be attached to each printed copy of the patent, and such certificate shall be considered as part of the original patent." 35 U.S.C. § 254. It also provides that "[e]very such patent, together with such certificate, shall have the same effect and operation in law on the trial of actions *for causes thereafter arising* as if the same had been originally issued in such corrected form." *Id.* (emphasis added). We conclude that this language requires that, for causes arising after the PTO issues a certificate of correction, the certificate of correction is to be treated as part of the original patent--i.e., as if the certificate had been issued along with the original patent. By necessary implication, for causes arising before its issuance, the certificate of correction is not effective.

In order to adopt Southwest's reading of the statute, we would have to conclude that the words "thereafter arising" are used to refer to the date a patent issues rather than to the date a certificate of correction issues. In our view, there are two main problems with this construction of the statute. First, it does not represent the most natural reading of the statutory language. Put another way, it is not the construction of the statute to which one comes most naturally from the flow of the words and sentences that are used. *See Demko v. United States*, 216 F.3d 1049, 1053 (Fed.Cir.2000); *LSI Computer Sys., Inc. v. United States Int'l Trade Comm'n*, 832 F.2d 588, 590, 4 USPQ2d 1705, 1707 (Fed.Cir.1987) (" '[T]his court will not bend or strain the words of a statute to change its meaning unless there is a persuasive and clear showing that Congress did not intend for the letter of the statute to prevail.' " (quoting *Ocean Drilling & Exploration Co. v. United States*, 229 Ct.Cl. 395, 600 F.2d 1343, 1348 (1979))).

We reject Southwest's argument that the construction of § 254 that we have adopted fails to give effect to all parts of the statute. *See United States v. Nordic Village, Inc.*, 503 U.S. 30, 36, 112 S.Ct. 1011, 117 L.Ed.2d 181 (1992) (stating that it is a "settled rule that a statute must, if possible, be construed in such fashion that every word has some operative effect"). We do not believe that our construction of the statute in any way nullifies or renders surplusage the words "such certificate shall be considered part of the original patent." This language plays the role of establishing that, for all circumstances in which the certificate of correction is effective--namely, at all times after its issue date--the certificate is considered part of the original patent.

Second, the construction of the statute that is urged by Southwest could produce an illogical and unworkable result. *See Times Fiber Comm., Inc. v. United States*, 157 F.3d 879, 886 (Fed.Cir.1998) (stating that a statute is to be construed so as to avoid an absurd result if at all possible). For example, a patent with a single claim in means-plus-function form [FN10] might, through a PTO mistake, [FN11] omit from the specification the structure, material, or acts corresponding to the function recited in the claim. Until the PTO issues a certificate of correction pursuant to 35 U.S.C. § 254 adding the corresponding structure, such a claim would appear invalid to the public, and reasonable competitors would be justified in conducting their affairs accordingly. In such a case, where the claim is invalid on its face without the certificate of correction, it strikes us as an illogical result to allow the patent holder, once the certificate of correction has issued, to sue an alleged infringer for activities that occurred before the issuance of the certificate ***1296** of correction. Moreover, it does not seem to us to be asking too much to expect a patentee to check a patent when it is issued in order to determine whether it contains any errors that require the issuance of a certificate of correction. In this case, the omission of the Program Printout Appendix from the '257 patent resulted in the absence of approximately 330 pages of text from the specification. It would seem that such an error would

be readily apparent.

> FN10. Pursuant to 35 U.S.C. § 112, ¶ 6, "[a]n element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."
>
> FN11. This example assumes that the PTO mistake meets the requirements for issuance of a certificate of correction under 35 U.S.C. § 254.

Southwest directs our attention to *Eagle Iron Works v. McLanahan Corp.*, 429 F.2d 1375, 166 USPQ 225 (3d Cir.1970). It argues that the case supports its contention that, as properly construed, § 254 provides that the certificate of correction is effective for purposes of the lawsuit against Harlequin and ECRM. We disagree. We do not believe that *Eagle Iron Works* helps Southwest.

The statute at issue in *Eagle Iron Works* was 35 U.S.C. § 255, entitled "Certificate of correction of applicant's mistake." As in effect for purposes of *Eagle Iron Works*, that statute provided as follows:

> Whenever a mistake of a clerical or typographical nature, or of minor character, which was not the fault of the Patent Office, appears in a patent and a showing has been made that such mistake occurred in good faith, the Commissioner may, upon payment of the required fee, issue a certificate of correction, if the correction does not involve such changes in the patent as would constitute new matter or would require re-examination. Such patent, together with the certificate, shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form.

35 U.S.C. § 255 (1970).

Section 255 contains language concerning "causes thereafter arising" that is nearly identical to that found in § 254. However, § 255 does not contain language similar to that found in § 254 stating that "[a] printed copy thereof shall be attached to each printed copy of the patent, and such certificate shall be considered as part of the original patent." 35 U.S.C. § 254.

In *Eagle Iron Works*, Eagle Iron Works ("Eagle") sued McLanahan Corporation ("McLanahan") for infringement of U.S. Patent No. 3,160,321 (the " '321 patent"). Prior to filing suit, Eagle applied to the PTO for a certificate of correction under 35 U.S.C. § 255 to correct a mistake that had resulted in the inclusion of the word "first" in two claims of the patent. After Eagle's suit was filed, the PTO issued the certificate of correction. *See Eagle Iron Works*, 429 F.2d at 1376 n. 1, 166 USPQ at 226 n. 1. In appealing from a judgment of infringement in the district court, McLanahan argued, among other things, that the certificate of correction enlarged the scope of the claims of the '321 patent and that, prior to the issuance of the certificate, its accused product did not infringe. *See id.* at 1383, 166 USPQ at 231. The Third Circuit affirmed the judgment of infringement. The court held that "[s]ince ... the Certificate of Correction did not change the scope of the patent and ... it was validly issued pursuant to the statute, [the alleged infringer's] contention that it achieved intervening rights ... must fail." *Id.* at 1387, 166 USPQ at 234.

Eagle Iron Works is not binding precedent on this court, however. *See Minnesota Mining & Mfg. Co. v. Norton Co.*, 929 F.2d 670, 672, 18 USPQ2d 1302, 1304 (Fed.Cir.1991) (stating that the Federal Circuit is "not bound by decisions rendered by other circuit ... courts" for matters within its exclusive subject matter jurisdiction); *see also South Corp. v. United States*, 690 F.2d 1368, 1370-71, 215 USPQ 657, 658 (Fed.Cir.1982) (en banc) (adopting only the jurisprudence of the Court of Claims and the Court of Customs and Patent Appeals because "no body of law established by any other court or set of courts would appear a suitable candidate for adoption."). In any event, we do not find *Eagle Iron Works* persuasive authority. Significantly, in *Eagle *1297 Iron Works* the court did not explain how its holding with respect to the effectiveness of the certificate of correction was supported by the language of § 255. It simply stated: "The statute permits a minor error, when made in good faith, to be corrected. In effect, the correction is given retroactive application in order that intervening rights may not be alleged." *Id.* Indeed, the Third Circuit, in dicta, recently questioned its decision in *Eagle Iron Works*, stating: "We are not so confident in the broad ameliorative powers of the certificate of correction." *Carnegie Mellon Univ. v. Schwartz*, 105 F.3d 863, 867 (3d Cir.1997).

[16] 3. Southwest's cause of action against Harlequin and ECRM arose before the certificate of correction was issued. Because the certificate of correction is

not effective for purposes of this action, the Program Printout Appendix cannot be considered part of the '257 patent for purposes of this action, because it was added to the patent by the certificate. We thus turn to Harlequin's and ECRM's contention that, without the Program Printout Appendix, claim 1 of the '257 patent is invalid because the patent's specification fails to satisfy the best mode and enablement requirements of 35 U.S.C. § 112, ¶ 1. As noted above, however, the district court did not address the issue of whether, without the Program Printout Appendix, the '257 patent satisfies the best mode and enablement requirements. The trial was conducted as if the certificate of correction were effective and the Program Printout Appendix were part of the patent. Therefore, because we hold that the certificate of correction is not effective for this lawsuit and consequently the Program Printout Appendix is not part of the patent for this lawsuit, we must remand for the district court to consider Harlequin's and ECRM's contention that claim 1 was invalid prior to April 1, 1997. Finally, we point out that, for any cause of action arising after April 1, 1997, the date the certificate of correction issued, the certificate will be treated as part of the original patent. Therefore any invalidity arising from the absence of the Program Printout Appendix only affects causes arising before the certificate issued. Put another way, if claim 1 is found to have been invalid without the Program Printout Appendix, the invalidity ceased on April 1, 1997, when the PTO issued the certificate of correction.

[17] 4. All that remains, as far as validity is concerned, are the arguments that claim 1 is invalid for obviousness and is invalid because, as far as the calibration of halftone input images is concerned, the '257 patent fails to meet the enablement, best mode, and written description requirements of 35 U.S.C. § 112, ¶ 1, the definiteness requirement of 35 U.S.C. § 112, ¶ 2, and the utility requirement of 35 U.S.C. § 101. Harlequin and ECRM did not raise these arguments in a motion for JMOL at the close of all evidence, so they could not renew them after the jury verdict in accordance with Fed. Rule Civ. P. 50. Therefore, they may not challenge the underlying facts relating to these issues; they may, however, challenge the judgment on the ground that the district court committed an error of law or abused its discretion. *See Young Dental*, 112 F.3d at 1141, 42 USPQ2d at 1592 ("Where a party fails to make a motion for JMOL at the close of the evidence, the sufficiency of the evidence underlying presumed jury findings cannot be challenged through a renewed motion for JMOL or on appeal.... Nonetheless, the party may challenge the judgment on the ground that the judge committed an error of law or abused his discretion, i.e., it may challenge the judge's legal conclusion on obviousness ... and any other issue that was the province of the court rather than the jury and to which it timely objected at trial.") (citing *Jurgens v. McKasy*, 927 F.2d 1552, 1557, 18 USPQ2d 1031, 1035-36 (Fed.Cir.1991)). Here, the determination of nonobviousness contains no legal error or abuse of discretion. The district court "decline[d] to find for the defendants on the issue[ ] of obviousness ... by clear and convincing evidence and accept[ed] the advisory ***1298** verdict of the jury on [this] issue[ ]." We see no legal error in that conclusion. Also, we discern no error in the judgment that the '257 patent is not invalid for lack of enablement, failure to disclose best mode, indefiniteness, lack of an adequate written description, or lack of utility.

III. Southwest's Cross-Appeal

The Grant of JMOL with respect to Claim 11 of the '257 Patent and Claim 10 of the '443 Patent

[18] Southwest argues that the district court erred by failing to submit the issues of infringement of claim 11 of the '257 patent and claim 10 of the '443 patent to the jury, and, instead, entering JMOL of noninfringement of these claims. In particular, it asserts that, because a reasonable jury could find infringement based on a proper claim construction, it was improper to grant the motion for JMOL.

Southwest focuses its argument on the "mapping means" limitation of claims 10 and 11, both of which are apparatus claims. It does so because, in Harlequin's and ECRM's JMOL motion, they asserted that this means-plus-function limitation of claims 10 and 11 was not infringed. Thus, we understand the "mapping means" limitation to be the only limitation in claim 10 of the '443 patent and claim 11 of the '257 patent that is disputed by the parties. Southwest argues that we must construe the "mapping means" limitation in these claims, and that, under a proper construction of the limitation, the "mapping means" is the transfer function executing in the raster image processor for calibrating either positive or negative sense representations. Armed with this construction, Southwest argues that it presented sufficient evidence for a reasonable jury to find infringement. In particular, it points to testimony by James Burns, the named inventor on the '257 and '443 patents, that Harlequin's ScriptWorks Revisions 6 and 7 infringed both claim 11 of the ' 257 patent and claim 10 of the '443 patent. It also points to Harlequin's own manuals and testimony by Dr. David Earl, a senior

software engineer for Harlequin.

Harlequin and ECRM respond that Southwest failed to present sufficient evidence of infringement of claim 11 of the '257 patent and claim 10 of the '443 patent. Specifically, they assert that Southwest presented no analysis of the structures in the accused Harlequin products that perform the claimed function of "mapping either positive or negative sense representations ... to be output as said calibrated output images on said image bearing media." '443 patent, claim 10. Also, Harlequin argues that Southwest did not dispute the meaning of "mapping means" at the *Markman* hearing. Therefore, the term should be given its plain meaning. According to Harlequin, the term "mapping means" should be construed to include only a device that calibrates both positive *and* negative images, not positive *or* negative images.

In sum, Harlequin and ECRM argue, Harlequin's products do not perform the function of the "mapping means" limitation of the claims; therefore, they do not infringe. Also, they argue that Southwest's failure to prove direct infringement by any third party negates any argument for contributory infringement, inducement of infringement, or infringement under 35 U.S.C. § 271(f).

The district court ruled from the bench when it granted Harlequin's motion for JMOL and did not provide any written opinion, so it is not entirely clear under what reasoning the court granted the motion. In addition, the court did not state at any time its construction of the disputed "mapping means" claim limitation. In short, the record does not reflect any claim construction or analysis by the district court as to the "mapping means" limitation. Under these circumstances, we are unable to review the decision of the court on this issue. *See Graco, Inc. v. Binks Mfg. Co.*, 60 F.3d 785, 791, 35 USPQ2d 1255, 1259 (Fed.Cir.1995). Accordingly, the judgment of the district court that ***1299** Harlequin and ECRM did not infringe claim 11 of the '257 patent and claim 10 of the '443 patent is vacated and the case is remanded for further proceedings on the infringement issue.

CONCLUSION

Harlequin's and ECRM's appeal

The district court did not err in denying Harlequin's and ECRM's motion for JMOL that Harlequin's ScriptWorks Revision 6 did not infringe claim 1 of the '257 patent. However, we vacate the judgment in favor of Southwest that was based upon the jury's verdict that Harlequin and ECRM infringed claim 1 of the '257 patent through ScriptWorks Revision 6 and remand the case to the district court for further proceedings. We do so because the certificate of correction that added the Program Printout Appendix to the '257 patent is not effective for purposes of this lawsuit. On remand, the district court must determine whether, in the absence of the Program Printout Appendix, claim 1 of the '257 patent is invalid for purposes of this action because the specification of the '257 patent fails to satisfy the best mode and enablement requirements of 35 U.S.C. § 112, ¶ 1. However, this is the only validity issue that will be before the district court on remand in connection with claim 1; we have found no error in the district court's rejection of Harlequin's and ECRM's other challenges to the validity of claim 1 of the ' 257 patent. If the court determines that claim 1 is invalid for purposes of this action, then Harlequin and ECRM will be entitled to a judgment of noninfringement with respect to claim 1. If the court determines that the ' 257 patent is not invalid for purposes of this suit, then Southwest will be entitled to have the judgment of infringement of claim 1 and the resulting award of damages reinstated.

Southwest's Cross-appeal

The district court properly denied Southwest's request for a new trial on the issue of infringement of claim 1 of the '257 patent by ScriptWorks Revision 7. However, we vacate the court's grant of Harlequin's and ECRM's motion for JMOL that they did not infringe claim 11 of the '257 patent and claim 10 of the '443 patent and remand for further proceedings on those issues. In the case of claim 11 of the '257 patent, of course, the entry of a judgment of infringement will be subject to the determination of whether, for purposes of this lawsuit, the claim is invalid for the reasons asserted with respect to claim 1. There are no validity issues pending with respect to the '443 patent.

VACATED AND REMANDED

COSTS

Each party shall bear its own costs.

226 F.3d 1280, 56 U.S.P.Q.2d 1161

Briefs and Other Related Documents **(Back to top)**

- 1999 WL 33631194 (Appellate Brief) Reply Brief for Plaintiff-Cross Appellant Southwest Software, Inc. (Sep. 03, 1999)

• 1999 WL 33631158 (Appellate Brief) Reply Brief for Defendants-Appellants, Harlequin Incorporated, Harlequin Limited and Eorm Trust (Aug. 11, 1999)

• 1999 WL 33631192 (Appellate Brief) Brief for Plaintiff-Cross Appellant Southwest Software, Inc. (Jun. 08, 1999)

• 99-1213 (Docket) (Jan. 26, 1999)

• 99-1214 (Docket) (Jan. 26, 1999)

• 1999 WL 33631156 (Appellate Brief) Brief for Defendants-Appellants, Harlequin Incorporated, Harlequin Limited and Eorm Trust (1999)

END OF DOCUMENT

Docket No. 21074.0015 **Customer No. 41913**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Andrew Egendorf

Patent No. 6,976,008

File Date: October 11, 2001 Group Art Unit: 3624

Application No: 09/975,839 Examiner: D. Felten

For: INTERNET BILLING METHOD

Certificate
FEB 2 1 2006
of Correction

ATTN: Certificate of Correction Branch
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

REQUEST FOR CERTIFICATE UNDER 37 CFR 1.322
AND REQUEST FOR THE EXPEDITED PROCESSING THEREOF

In accordance with the provisions of 37 CFR 1.322 which implement 35 USC §254, the Patent and Trademark Office is respectfully requested to issue a Certificate of Correction in the above identified patent to correct material errors in the printed patent document.

A single copy of Form PTO/SB/44, listing all of the errors and the corrections thereof, is enclosed.

Also enclosed is a copy of the documentation necessary to process the Certificate of Correction without the File Wrapper. This documentation unequivocally supports Patentee's assertion that all of the errors were incurred through the fault of the Patent and Trademark Office.

In accordance with MPEP §1480.01 Patentee requests that the Certificate of Correction be issued expeditiously and without cost to the Patentee. Additionally, the Commissioner is authorized to charge Deposit Account No. 50-3024 for the requisite $130.00 fee for the expedited processing of this Request. Please charge any fees or credit any overpayment to Deposit Account No. 50-3024. A duplicate copy of this Request is enclosed.

Because of the nature and extent of the errors set forth below, the Patentee requests that he be issued a red-ribbon vanity copy of the corrected patent. When prepared, this may be sent to the below-listed attorney for delivery to the Patentee.

All the drawings shown on the printed patent are incorrect. The correct drawings are shown on the enclosed Form PTO/SB/44. Copies of the correct drawings dated 10/11/01 are included herewith.

Errors in the printed Specification listed on Form PTO/SB/44 as #1-#32 have been marked and numbered on a copy of the patent as issued and on the Specification as originally filed on October 11, 2001. These errors appear in the original Specification as indicated below.

1. page 2, last line
2. page 5, line 8
3. page 6, line 2
4. page 6, line 11
5. page 7, lines 1-2
6. page 7, line 7
7. page 9, line 4
8. page 9, line 10
9. page 10, line 6
10. page 10, line 8
11. page 10, line 17

12. page 11, line 4
13. page 13, line 10
14. page 13, lines 12-13
15. page 13, line 14
16. page 13, last line
17. page 15, line 5
18. page 15, lines 19-20
19. page 16, line 8
20. page 16, lines 18-19
21. page 17, line 1
22. page 17, line 2
23. page 17, line 5
24. page 17, line 12
25. page 17, line 18
26. page 18, line 7
27. page 18, last line
28. page 19, line 4
29. page 19, line 17
30. page 20, line 1
31. page 20, line 13
32. page 20, line 14

Errors in the printed Claims listed on Form PTO/SB/44 as #33-#57 have been marked and numbered on a copy of the patent as issued and on the Amendment Under Rule 116 filed September 21, 2004. These errors appear in the Amendment as indicated below. A copy of the renumbering of the Claims prepared by the Examiner is included herewith to facilitate the identification of Claims as renumbered from the Amendment to the printed patent.

33. page 3, claim 37, line 3 of the claim — issued as claim 3
34. page 4, claim 40, line 3 of the claim — issued as claim 6
35. page 6, claim 46, line 2 of the claim — issued as claim 11
36. page 6, claim 48, line 2 of the claim — issued as claim 13
37. page 7, claim 56, line 2 of the claim — issued as claim 21
38. page 15, claim 167c), line 6 of 167c) — issued as claim 67
39. page 17, claim 176, line 3 of the claim — issued as claim 70
40. page 18, claim 179, line 1 of page 18 — issued as claim 71
41. page 18, claim 179f), line 2 of 179f) — issued as claim 71
42. page 19, claim 185, line 5 of the claim — issued as claim 73
43. page 21, claim 191f), line 2 of 191f) — issued as claim 75
44. page 24, claim 203, line 6 of the claim — issued as claim 79
45. page 24, claim 203d), line 4 of 203d) — issued as claim 79
46. page 26, claim 210, line 2 of the claim — issued as claim 83
47. page 27, claim 216d), line 4 of 216d) — issued as claim 88

48.	page 27, claim 216f), line 4 of 216f)	issued as claim 88
49.	page 29, claim 220b), line 3 of 220b)	issued as claim 90
50.	page 31, claim 222d), line 4 of 222d)	issued as claim 91
51.	page 32, claim 224d), line 4 of 224d)	issued as claim 92
52.	page 33, claim 224f), line 5 of 224f)	issued as claim 92
53.	page 33, claim 226, line 2 of the claim	issued as claim 93
54.	page 34, claim 226f), line 5 of 226f)	issued as claim 93
55.	page 35, claim 228b), line 3 of 228b)	issued as claim 94
56.	page 35, claim 228d), line 4 of 228d)	issued as claim 94
57.	page 36, claim 228, first line on page	issued as claim 94

It is respectfully requested that when the above-requested Certificate of Correction has been issued that a certified copy of it be returned to the below-listed attorney for delivery to the Patentee.

Respectfully submitted,

By: _____
Ira J. Schaefer
Reg. No. 26,802

Hogan & Hartson, L.L.P.
875 Third Avenue
New York, New York 10022
212-918-8228
January 18, 2006

PTO/SB/44 (04-06)
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UNITED STATES PATENT AND TRADEMARK OFFICE
CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008
APPLICATION NO.: 09/975,839
ISSUE DATE : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that an error appears or errors appear in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

All 3 Drawing Sheets contain incorrect Figures. Correct Figure 1 appears below, and correct Figures 2 and 3 appear on the following two pages.

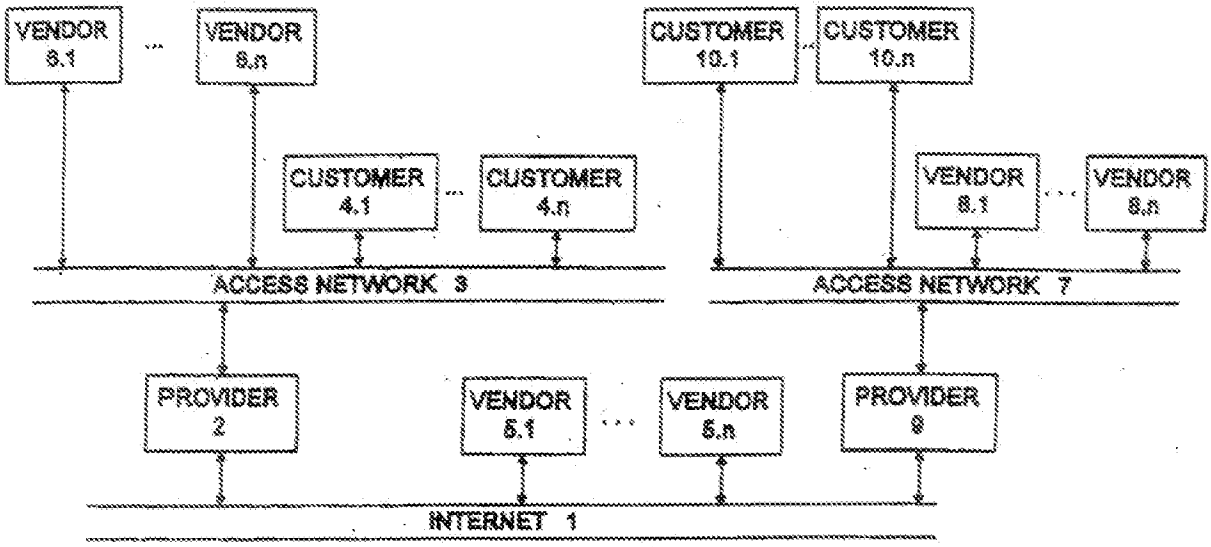

FIG. 1

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Hogan & Hartson, L.L.P.
375 Third Avenue
New York, New York 10022

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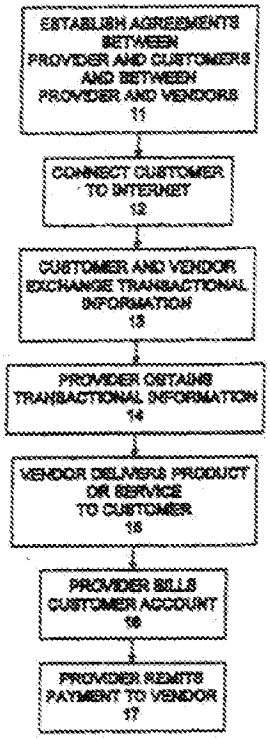

FIG. 2

MAILING ADDRESS OF SENDER (Please do not use customer number below): Ira Schaefer, Esq.
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375 Third Avenue
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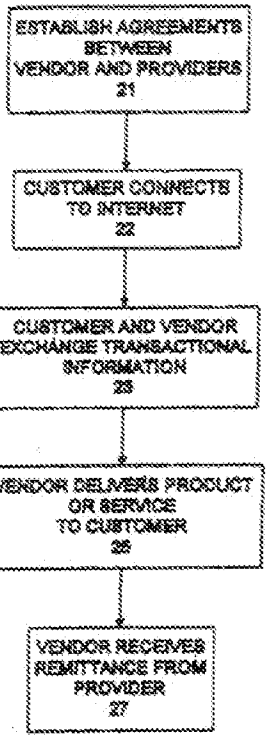

FIG. 3

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APPLICATION NO.: 09/975,839
ISSUE DATE : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that an error appears or errors appear in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

1. Column 1, line 31: "nave" should read --have--.
2. Column 2, line 12: "exxisting" should read --existing--.
3. Column 2, line 29: "vender," should read --vendor,--.
4. Column 2, line 37: "vender," should read --vendor,--.
5. Column 2, lines 50-51: "offer customers" should read --offer their customers--.
6. Column 2, line 56: "chance" should read --change--.
7. Column 3, line 29: "agrees to the" should read --agrees to do the--.
8. Column 3, line 35: "vender's" should read --vendor's--.
9. Column 3, line 53: "or example," should read --for example,--.
10. Column 3, line 54: "or o a" should read --or to a--.
11. Column 3, line 63: "provider, to the" should read --provider, not the--.
12. Column 4, line 6: "make" should read --made--.
13. Column 4, line 55: "providers" should read --provides--.
14. Column 4, line 57: "Access network, an" should read --Access network 3 can be a telephone network, a cable television network, an--.

MAILING ADDRESS OF SENDER (Please do not use customer number below): Ira Schaefer, Esq.
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UNITED STATES PATENT AND TRADEMARK OFFICE
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PATENT NO. : 6,976,008
APPLICATION NO.: 09/975,839
ISSUE DATE : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that an error appears or errors appear in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

15. Column 4, line 58: "Prodigy, r a" should read --Prodigy, or a--.
16. Column 4, line 66: "agreement" should read --agreements--.
17. Column 5, line 25: "form" should read --from--.
18. Column 5, line 40: "from the vendor" should read --from the exchange of information taking place between the customer and the vendor--.
19. Column 5, line 50: "Provider then" should read --Provider 2 then--.
20. Column 5, line 61: "4.1-4.nand" should read --4.1-4.n and--.
21. Column 5, line 65: "customer" should read --customers--.
22. Column 5, line 66: "is" should read --in--.
23. Column 6, line 1: "services" should read --service--.
24. Column 6, line 7: "form" should read --from--.
25. Column 6, line 14: "form" should read --from--.
26. Column 6, line 26: "sued" should read --used--.
27. Column 6, line 39: "VISA, Mastercard" should read --VISA or Mastercard--.
28. Column 6, line 44: "is, t can" should read --is, it can--.
29. Column 6, line 57: "or a" should read --or an--.

MAILING ADDRESS OF SENDER (Please do not use customer number below): Ira Schaefer, Esq.
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APPLICATION NO.: 09/975,839
ISSUE DATE : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that an error appears or errors appear in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

30. Column 6, line 63: "For" should read --for--.
31. Column 7, line 8: "amount" should read --account--.
32. Column 7, line 9: "with the third" should read --with a third--.
33. Claim 3, line 62: "on Internet" should read --an Internet--.
34. Claim 6, line 8: "company an" should read --company, an--.
35. Claim 11, line 61: "preformed" should read --performed--.
36. Claim 13, line 3: "arced" should read --agreed--.
37. Claim 21, line 34: "patty" should read --party--.
38. Claim 67, line 23: "transaction." should read --transaction;--.
39. Claim 70, line 11: "by to" should read --by the--.
40. Claim 71, line 22: "patty" should read --party--.
41. Claim 71, line 45: "agreement; and" should read --agreement,--.
42. Claim 73, line 61: "vendor a" should read --vendor, a--.
43. Claim 75, line 67: "agreement." should read --agreement,--.
44. Claim 79, line 61: "remitted, to" should read --remitted to--.
45. Claim 79, line 18: "have to" should read --have agreed to--.
46. Claim 83, line 44: "tan" should read --than--.
47. Claim 88, line 23: "have to" should read --have agreed to--.
48. Claim 88, line 35: "to selling" should read --to the selling--.

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INVENTOR(S) : Egendorf

It is certified that an error appears or errors appear in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

49. Claim 90, line 29: "transaction," should read --transaction;--.
50. Claim 91, line 21: "have to" should read --have agreed to--.
51. Claim 92, line 64: "have to" should read --have agreed to--.
52. Claim 92, line 10: "alter" should read --after--.
53. Claim 93, line 16: "transaction over" should read --transactions over--.
54. Claim 93, line 57: "alter" should read --after--.
55. Claim 94, c.21, l.11: "transaction;" should read --transaction,--.
56. Claim 94, c.22, l.4: "have to" should read --have agreed to--.
57. Claim 94, c.22, l.17: "alter" should read --after--.

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MARK-UP of
ERRORS #1-32

INTERNET BILLING METHOD

BACKGROUND OF THE INVENTION

The present invention relates to a method of billing for commercial transactions over the Internet.

The Internet is a vast worldwide interconnection of computers and computer networks. The Internet does not consist of any specific hardware or group of connected computers, rather it consists of those elements that happen to be interconnected at any particular time. The Internet has certain protocols or rules regarding signal transmission and anyone with the proper hardware and software can be part of this interconnection.

At present, the technical and financial requirements for connecting directly to the Internet are beyond the resources of most individuals and thus new businesses known as Internet access providers have proliferated. These providers invest in the equipment needed to provide access to the Internet for subscribers who pay the providers a fee for the access. Providers include companies whose only business is to offer connection to the Internet, as well as on-line services such as Compuserve, American On-Line, and Prodigy. In addition, telephone companies and cable television companies have announced

transactions over the Internet.

A further object of the present invention is an Internet billing method which is simple to use from both the customer's point of view and that of vendors on the Internet.

Yet another object of the present invention is a billing method which can be used by a large number of existing Internet users without requiring major changes in how the users customarily behave and conduct commercial transactions.

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These and other objects and advantages of the present invention are achieved by an Internet billing method in accordance with the present invention. A provider establishes an agreement with a customer, and a second agreement with a vendor, wherein the provider agrees with the customer and the vendor to bill for products and services purchased over the Internet by the customer from the vendor. Associated with the customer agreement are one or more billing accounts to which purchases may be charged. Associated with the vendor agreement are one or more methods of remitting funds to the vendor. The provider creates access to the Internet for the customer through the

provider's equipment. When the customer orders a product or service over the Internet from the vendor, the provider obtains transactional information transmitted between the customer and the vendor including a transaction amount relating to the ordered product or service and the provider then bills the transaction amount to a customer billing account and remits a portion of the transaction amount to the vendor.

Which accounts are used may be specified in the agreements made between the provider and the customer and between the provider and the vendor, or may be specified in the transactional information. If specified in the transactional information, the selection of account can be made by referencing the type of account (e.g., "VISA", "phone bill"), or the position of that account on a predetermined list (e.g., "the 3rd account"), and does not require that any actual account numbers be transmitted.

By the use of this method, there is no need for the customer to transmit over the Internet any information containing any of the customer's billing account numbers thereby maintaining the security of that information.

The present invention, in a preferred embodiment,

is a method of providing merchants with the ability to offer their customers secure transactions for the purchase of goods and services of any value over the Internet, without the need for the customer to transmit any credit card or other account numbers over the Internet, without the need for the customer to sign up with any additional provider of services, and without the need to change the manner in which most customers currently use the Internet. 5. 6.

In accordance with the present invention, a customer desiring to purchase goods and services over the Internet has prearranged access to the Internet through the services of an Internet access provider. Such providers can be, for example, companies whose only business is to offer connection to the Internet, companies which offer on-line computer services, one of which is connection to the Internet, cable television companies, or telephone companies. In arranging for access with such a provider, the customer has agreed with the provider on a method of payment which is, for example, by billing, or charge to a credit card, or charge to an account of the user which could be an account specific to the Internet or could be a more general account, such as an on-line computer services

In accordance with the present invention, the provider has made arrangements with vendors who wish to sell goods and services over the Internet to the customers of the provider. The provider agrees to do the billing associated with such sales for the vendors, and as part of the agreement, the provider and the vendor have agreed on the manner in which the provider will remit funds to the vendor. Examples of payment include payment by check, credit to the vendor's credit card merchant account, or credit to another account of the vendor's, such as the vendor's cable television account, telephone account, or bank account. The account of the vendor to be credited need not be with the provider. The arrangements that are made will depend on the vendor's desires and the capabilities of the provider. For example, if the vendor anticipates many small transactions and the provider is a telephone company, they can agree that the provider will credit the vendor's existing telephone account for amounts under some nominal amount and credit the vendor's credit card merchant account for larger amounts. If the vendor anticipates large transactions, then they may agree that the provider will pay by check or direct credit to the vendor's bank account.

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In a typical transaction in accordance with the present invention, from the customer's point of view all use of the Internet appears to be conventional. Depending upon the prearrangements made between the provider and the customer and between the provider and the vendor, the customer can charge a purchase, for example, to a credit card, to a cable television account, to a telephone account or to a bank account. The account of the customer to be billed need not be with the provider. For example, the customer may be using one telephone company as an access provider and a second telephone company as a telephone service provider and the account to be billed is that with the second telephone company. The customer specifies which account is to be billed by an indication to the provider, but neither the customer nor the vendor has to transmit any account numbers over the Internet, because it is the provider, not the vendor, who submits the charge to the credit card company, the cable television company, the telephone company, or to another account of the customer, or who debits the bank account of the customer, and the provider already has been given, during the course of making prearrangements with the customer and the vendor, the

appropriate account numbers of both the customer and the vendor. The provider sends this information to the appropriate party, and may do so by the same secure means customarily used for similar transactions not made over the Internet.

12.

From the vendor's point of view, the transaction is as secure as a transaction made over the telephone with a credit card. If the vendor wishes, the vendor may verify with the provider that the address supplied by the customer for shipment of the goods has been authorized by the customer in the same manner in which such verification would be made for the same transaction made over the telephone with a credit card. In addition, because such a verification does not require the transmission of any account numbers of the customer, the verification can be done over the Internet as part of the transaction transmission itself if the provider and the vendor have prearranged to do so.

From the provider's point of view, the provider is made aware that the customer has authorized the charge by monitoring the data being sent over the Internet through the provider's equipment between the customer and the vendor.

DETAILED DESCRIPTION OF THE INVENTION

Referring to Fig. 1, a system for carrying out the method of the present invention is shown. In that system, the Internet is shown schematically as network 1 to which providers 2, 9, vendors 5.1-5.n, 6.1-6.n and 8.1-8.n, and customers 4.1-4.n and 10.1-10.n (where n is an integer to indicate a range from one to many) are connected in different ways.

Provider 2 is connected to access network 3 and the Internet 1 and provides access to the Internet 1 for customers 4.1-4.n and vendors 6.1-6.n connected to access network 3. Access network 3 can be a telephone network, a cable television network, an on-line services network such as Compuserve, American On-Line, or Prodigy, or a private Internet access network. Similarly, provider 9 is connected to access network 7 and the Internet 1 and provides access to the Internet 1 for customers 10.1-10.n and vendors 8.1-8.n. Vendors 5.1-5.n access the Internet directly by their own equipment.

In accordance with the method shown in the flow chart of Fig. 2, for example, in step 11 provider 2 establishes agreements with vendors 5.1-5.n who are

interface with any one of vendors 5.1-5.n, 6.1-6.n and 8.1-8.n in order to find out about products or services offered by those vendors.

When one of customers 4.1-4.n makes the decision to order a product or service from one of vendors 5.1-5.n, 6.1-6.n and 8.1-8.n, in step 13 an exchange of transactional information occurs between the customer and the vendor. This exchange may include identifying information relating to the customer, such as the customer's Internet address, information relating to the products or services to be purchased, including the transaction amount, the manner and time of delivery, and a reference number to identify the order. The vendor or the customer also can produce a verification code signifying that a transaction has been completed which can be received by provider 2. 17.

In step 14, the transactional information is obtained by provider 2. The communication can be a separate transmission by the vendor or the customer to provider 2, or provider 2 can extract the information from the exchange of information taking place between the customer and the vendor through equipment of provider 2. Provider 2 can then send verifying information to one or both of the customer and 18.

vendor to indicate that the transaction has been approved, if approval of a third party, such as credit card company, is required. Most importantly, the entire transaction takes place without the need of communicating the customer's credit card or other account number over the Internet 1.

The product or service is delivered to the customer in step 15 and the appropriate customer account is billed by provider 2 in step 16. Provider 2 then remits the agreed payment in the appropriate manner to the vendor in step 17, keeping the differential as a service charge for the services rendered by provider 2. Steps 15, 16 and 17 may be performed in any order. 19.

As can be seen from Fig. 1, the method according to the present invention can be carried out in many ways. For example, referring to Fig. 3, vendor 5.1 in step 21 can establish remitting agreements with provider 2 and provider 9 to remit to vendor 5.1 a portion of a transaction amount billed to the billing account of any one of customers 4.1-4.n and 10.1-10.n. 20.

Similarly, each of vendors 6.1-6.n can establish a remitting agreement with provider 9 for transactions carried out over the Internet between each of vendors 6.1-6.n and

customers 10.1-10.n. 21.

A customer connects to the Internet in step 22. 22.
The customer exchanges transactional information with the vendor in step 23 and the vendor delivers a product or service to the customer in step 25, either before or after 23.
the vendor receives remittances from the provider in step 27.

In accordance with another feature of the present invention, prior to the billing of the transaction amount to the account of the customer, and after obtaining the transactional information, the provider can obtain approval from a third party to bill the transaction amount to the 24.
billing account. This is particularly true in the case where the billing account is a credit card account or a bank account. In that instance, approval must be obtained from a third party, i.e., the bank issuing the credit card or with whom the bank account was established. Where the account is with the provider, approval would be obtained from the 25.
provider itself. In a preferred embodiment of the present invention, the approval can be obtained over the Internet and most preferably during the communication between the customer and the vendor.

In accordance with a further feature of the present invention, the customer can specify a particular billing account, for example, a credit card account, a bank account, a telephone number account, a cable television account or an on-line services account at the time that the billing agreement is established with the provider. The specification can provide that one account will be used for certain transactions, and a different account for other transactions, for example, a telephone account for transactions less than $5.00, and a bank account for transactions of at least $5.00. Thereafter, whenever the transaction amount is to be billed, it will be billed to that specified billing account. Alternatively, the customer can specify a plurality of billing accounts, for example, an AMEX account, a VISA account, a Mastercard account at the time that the billing agreement is established. When the transactional information is communicated, it will include an identification of which of those plurality of billing accounts the customer wants billed, without, however, specifying the account number of the account. Thus the customer can merely indicate the account by the "brand" name AMEX, VISA or Mastercard or the customer can identify it as

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27.

the first account, second account or third account on a list previously established with the provider.

As noted above, the billing account is not necessarily with the provider, that is, it can be with a third party such as a bank issuing a credit card, or a bank at which the customer has a bank account. Alternatively, the provider can be a first telephone company, but the billing account can be with a second telephone company and charged by the first telephone company to the telephone number account of the customer with the second telephone company, as is customarily done in connection with conventional telecommunications services. 28.

In accordance with the invention, the remitting can be by means of sending money or by crediting a vendor account such as a credit card merchant account, a bank account, a telephone number account, a cable television account or an on-line services account. 29.

In a preferred embodiment of the present invention, the step of establishing the remitting account comprises specifying a particular vendor account to which the portion of the transaction amount will be remitted. The specification can provide that one account will be used

for certain transactions, and a different account for other transactions, for example, a telephone account for transactions less than $5.00, and a bank account for transactions of at least $5.00. In an alternative embodiment of the present invention, the step of establishing the remitting agreement comprises the vendor specifying a plurality of vendor accounts to which a portion of the transaction account can be remitted. Thus when the transactional information is communicated, the vendor can identify which one of the plurality of vendor accounts the amount is to be remitted to without, however, specifying the specific account number. 30.

The vendor account can be an account with the provider or an account with a third party such as a credit card merchant account, or bank account, with a bank, or a cable television account with a cable television company. 31. 32.

It is understood that the embodiments described hereinabove are merely illustrative and are not intended to limit the scope of the invention. It is realized that various changes, alterations, rearrangements and modifications can be made by those skilled in the art without substantially departing from the spirit and scope of

MARK-UP OF ERRORS #33-57

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Post Office as first class mail in an envelope addressed to: Commissioner for Patents, P.O. Box 1450 Alexandria, VA 22313-1450, on

Date: September 21, 2004
Name: Pamela D. Howe
Signature: Hogan & Hartson, L.L.P.

Docket No. 21074.0015 Customer No. 41913

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	Andrew Egendorf		
Filed:	October 11, 2001	Group Art Unit:	3624
Serial No:	09/975,839	Examiner:	D. Felten
For:	INTERNET BILLING METHOD		

AMENDMENT UNDER RULE 116

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

In response to the Office Action of June 4, 2004, kindly enter the following:

Amendments to the Claims begin on page 2.

Remarks begin on page 37 of this paper.

f) remitting the second amount to the selling vendor in accordance with the remitting agreement,

wherein after establishing the billing agreement the third party does not transfer ownership of the product or service from the selling vendor to the purchasing customer.

33. (canceled)

34. (canceled)

35. (previously presented) The method according to claim 32, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

36. (canceled)

37. (previously presented) The method according to claim ~~31, 32, 33, 34, 35, or 36,~~ 32 or 35, wherein the third party is a cable television company, a company offering financial services, an Internet access provider, or a telephone company.

33,

38. (previously presented) The method according to claim 37, further comprising the step of obtaining approval for charging the first amount from a party other than the purchasing customer and the selling vendor prior to the step of charging.

39. (previously presented) The method according to claim 38, wherein the party other than the purchasing customer and the selling vendor is a bank, a company offering financial services, a credit card company, an Internet access provider, or the third party.

40. (previously presented) The method according to claim 37, wherein the step of charging comprises sending a bill or charging an account with a bank, a cable television company, a company offering financial services, a credit card company, an Internet access provider, a telephone company, or the third party. 34.

41. (previously presented) The method according to claim 37, wherein the step of remitting comprises sending a check or crediting an account with a bank, a cable television company, a company offering financial services, a credit card company, an Internet access provider, a telephone company, or the third party.

42. (previously presented) The method according to claim 37, wherein the second amount is less than the first amount.

43. (previously presented) The method according to claim 37, wherein the step of remitting is performed before the step of charging.

44. (canceled)

45. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

46. (currently amended) The method according to any one of claims ~~31-36 and 44-45~~, 32, 35, and 45, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction. 35.

47. (previously presented) The method according to claim 37, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

48. (previously presented) The method according to claim 38, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction. 36.

49. (previously presented) The method according to claim 39, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

50. (previously presented) The method according to claim 40, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

51. (previously presented) The method according to claim 41, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

52. (previously presented) The method according to claim 42, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

53. (previously presented) The method according to claim 43, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

54. (currently amended) The method according to any one of claims ~~31-36 and 44-45,~~ 32, 35, and 45, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

55. (previously presented) The method according to claim 37, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

56. (previously presented) The method according to claim 38, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer. 37.

57. (previously presented) The method according to claim 39, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

58. (previously presented) The method according to claim 40, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

98. (previously presented) The method according to claim 66, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

99. (previously presented) The method according to claim 67, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

100. (previously presented) The method according to claim 68, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

101. (previously presented) The method according to claim 69, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

102.-165. (canceled)

166. (canceled)

167. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

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d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement.

168. (canceled)

169. (canceled)

170. (previously presented) The method according to claim 167, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement.

174. (canceled)

175. (canceled)

176. (previously presented) The method according to claim 173, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting. 39.

177. (canceled)

178. (canceled)

179. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a

second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement,

wherein after establishing the billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

180. (canceled)

181. (canceled)

182. (previously presented) The method according to claim 179, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

183. (canceled)

184. (canceled)

185. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of: 42.

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the third party to charge the purchasing customer;

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit

the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement.

186. (canceled)

187. (canceled)

188. (previously presented) The method according to claim 185, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

189. (canceled)

190. (canceled)

191. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a

purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement,

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wherein after establishing the billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

202. (canceled)

203. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of: 44.

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the third party to charge the purchasing customer;

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction; 45.

202. (canceled)

203. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of: 44.

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the third party to charge the purchasing customer;

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction; 45.

210. (previously presented) The method according to claim 209, wherein the party other than the purchasing customer and the selling vendor is a bank, a company offering financial services, a credit card company, an Internet access provider, or the third party. 46.

211. (previously presented) The method according to claim 208, wherein the step of charging comprises sending a bill or charging an account with a bank, a cable television company, a company offering financial services, a credit card company, an Internet access provider, a telephone company, or the third party.

212. (previously presented) The method according to claim 208, wherein the step of remitting comprises sending a check or crediting an account with a bank, a cable television company, a company offering financial services, a credit card company, an Internet access provider, a telephone company, or the third party.

213. (previously presented) The method according to claim 208, wherein the second amount is less than the first amount.

214. (previously presented) The method according to claim 208, wherein the step of remitting is performed before the step of charging.

215. (canceled)

216. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing

customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction; 47.

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services ; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor. 48.

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services ; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor.

219. (canceled)

220. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

49.

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit

the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services ; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor,

wherein after establishing the billing agreement the company offering financial services does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

221. (canceled)

222. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the company offering financial services to charge the purchasing customer;

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction; SO.

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services ; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor.

223. (canceled)

224. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction; 51.

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services ; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor,

wherein after establishing the billing agreement the company offering financial services does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction. 52.

225. (canceled)

226. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of: 53.

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the company offering financial services to charge the purchasing customer;

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor,

wherein after establishing the billing agreement the company offering financial services does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction. 54.

227. (canceled)

228. (currently amended) An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a

second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the company offering financial services to charge the purchasing customer; 55.

c) ~~providing a communications link over the Internet between the purchasing customer and the selling vendor to permit the purchasing customer to request information from the selling vendor with respect to the product or service;~~ providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction; 56.

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services ; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor,

wherein after establishing the billing agreement the company offering financial services does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction. 57.

Issue Classification	Applicati n/C ntr l N .	Applicant(s) nt und r Reexaminati...
	09/975,839	EGENDORF, ANDREW
	Examiner	Art Unit
	Daniel S. Felten	3624

ISSUE CLASSIFICATION

ORIGINAL		CROSS REFERENCE(S)							
CLASS	SUBCLASS	CLASS	SUBCLASS (ONE SUBCLASS PER BLOCK)						
705	40	705	42	44	26	27			
INTERNATIONAL CLASSIFICATION		709	217	219	227	228	229		
G	0 6 F 17/60	235	379						
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Daniel Felten 9/17/2004 (Assistant Examiner) (Date)	Vincent Millin 9/17/2004 (Primary Examiner) (Date)	Total Claims Allowed: 94
(Legal Instruments Examiner) (Date)		O.G. Print Claim(s): 1 — O.G. Print Fig: 2

☐ Claims renumbered in the same order as presented by applicant ☐ CPA ☐ T.D. ☐ R.1.47

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Issue Classification	Application/Control No.	Applicant(s)/Patent under Reexamination
	09/975,839	EGENDORF, ANDREW
	Examiner	Art Unit
	Daniel S. Felten	3624

ISSUE CLASSIFICATION

ORIGINAL		CROSS REFERENCE(S)							
CLASS	SUBCLASS	CLASS	SUBCLASS (ONE SUBCLASS PER BLOCK)						
705/	40	705	42	44	26	27			
INTERNATIONAL CLASSIFICATION		709	217	219	227	228	229		
G	0	6	F 17/60	235	379							
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Daniel Felten 9/17/2004 (Assistant Examiner) (Date)	Vincent Millin 9/17/2004 (Primary Examiner) (Date)	Total Claims Allowed: 84
(Legal Instruments Examiner) (Date)		O.G. Print Claim(s): 1 — O.G. Print Fig.: 2

☐ Claims renumbered in the same order as presented by applicant ☐ CPA ☐ T.D. ☐ R.1.47

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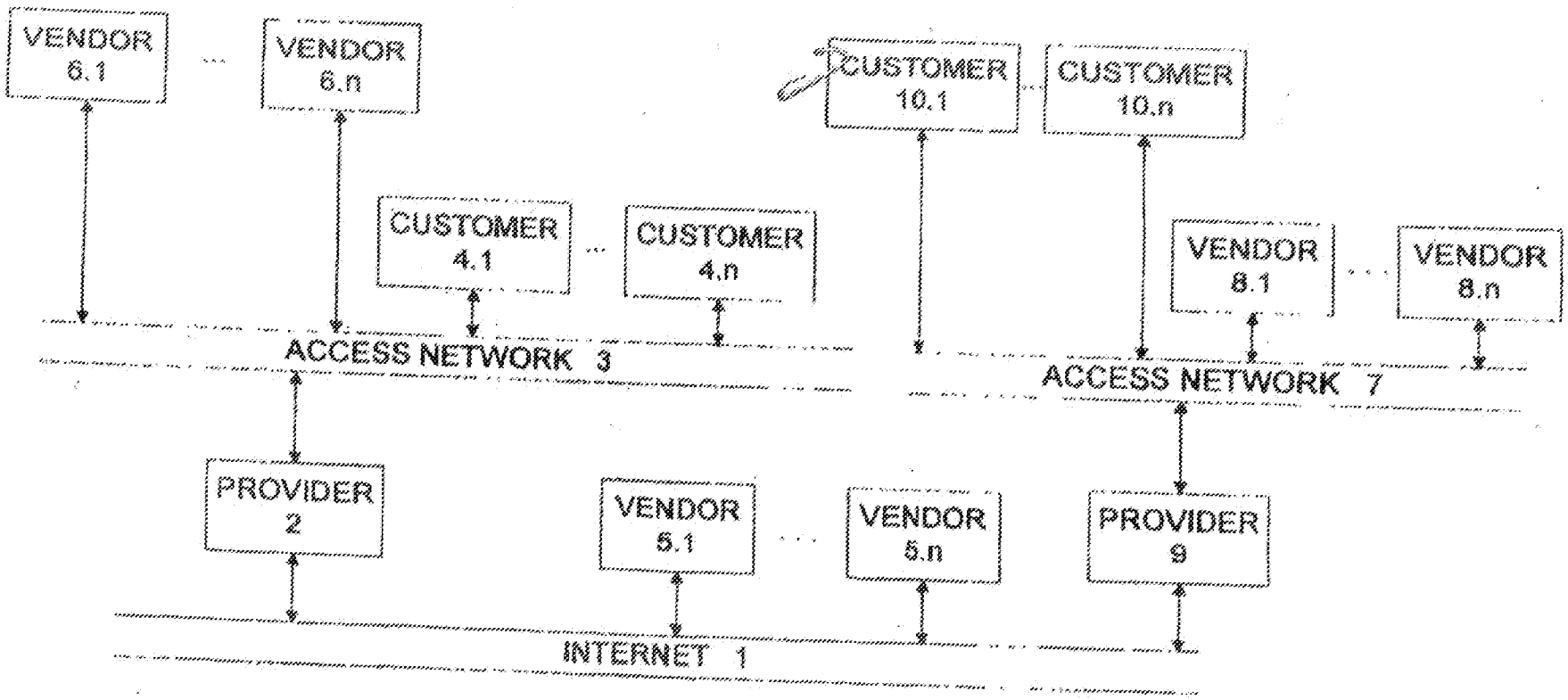
VENDOR 6.1
VENDOR 6.n
CUSTOMER 10.1
CUSTOMER 10.n
CUSTOMER 4.1
CUSTOMER 4.n
VENDOR 8.1
VENDOR 8.n
ACCESS NETWORK 3
ACCESS NETWORK 7
PROVIDER 2
VENDOR 5.1
VENDOR 5.n
PROVIDER 9
INTERNET 1

FIG. 1

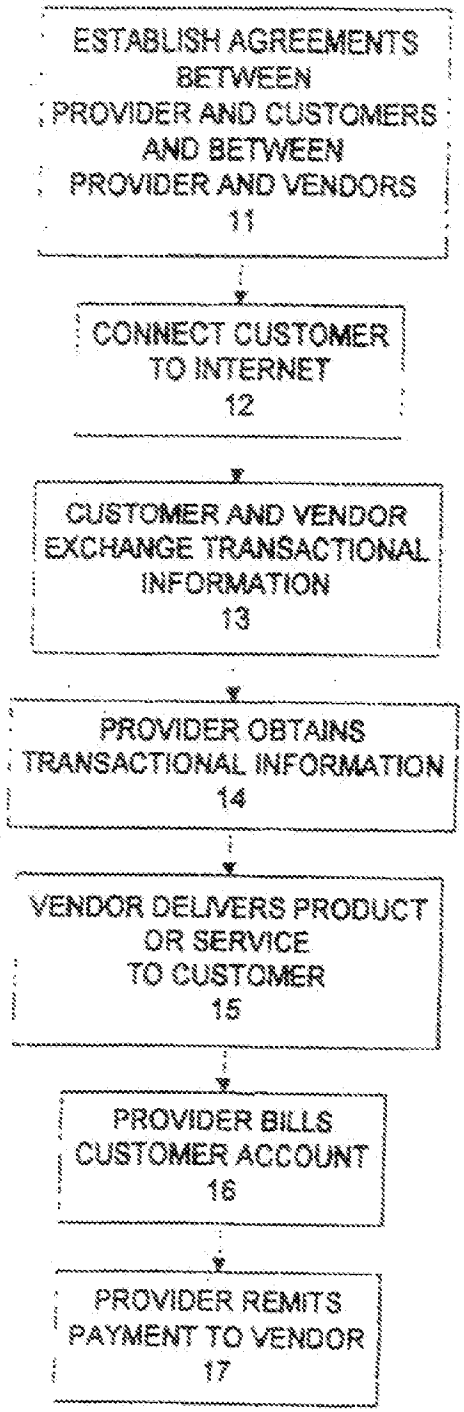

FIG. 2

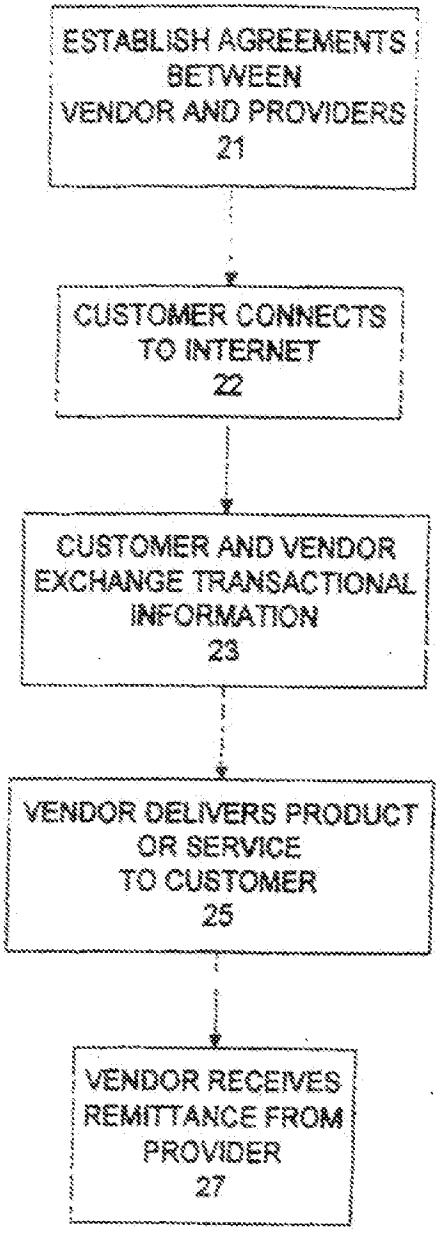

FIG. 3

US006976008B2

(12) **United States Patent**
Egendorf

(10) **Patent No.: US 6,976,008 B2**
(45) **Date of Patent: *Dec. 13, 2005**

(54) **INTERNET BILLING METHOD**

(75) Inventor: Andrew Egendorf, Lincoln, MA (US)

(73) Assignee: Netcraft, Corporation, Lincoln, MA (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 290 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: 09/975,839

(22) Filed: Oct. 11, 2001

(65) **Prior Publication Data**

US 2002/0032654 A1 Mar. 14, 2002

Related U.S. Application Data

(63) Continuation of application No. 09/568,925, filed on May 11, 2000, which is a continuation of application No. 09/057,230, filed on Apr. 8, 1998, now Pat. No. 6,188,994, which is a continuation of application No. 08/499,535, filed on Jul. 7, 1995, now Pat. No. 5,794,221.

(51) Int. Cl.[7] G06F 17/60

(52) U.S. Cl. 705/40; 705/41; 705/42

(58) Field of Search 705/40, 41, 42

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Carnegie Mellon University, "Internet billing Server Prototype Scope Document INI Technical Report 1993–1" (Oct. 14, 1993).*

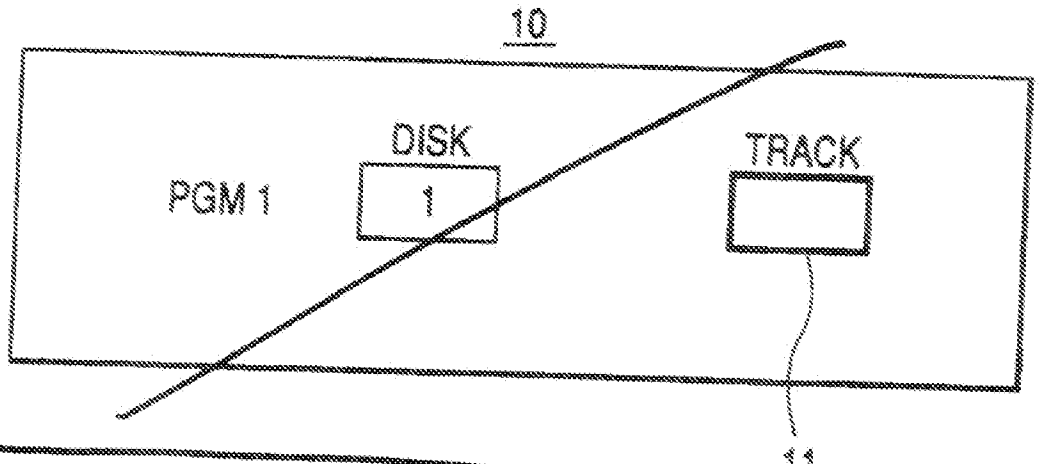
* cited by examiner

Primary Examiner—V. Millin
Assistant Examiner—Daniel S. Felten
(74) *Attorney, Agent, or Firm*—Hogan & Hartson L.L.P.

(57) **ABSTRACT**

An Internet billing method comprises establishing an agreement between an Internet access provider and a customer, and an agreement between the Internet access provider and a vendor, wherein the Internet access provider agrees with the customer and the vendor to bill the customer and remit to the vendor for products and services purchased over the Internet by the customer from the vendor. The provider creates access to the Internet for the customer. When the customer orders a product or service over the Internet from a vendor, transactional information transmitted between the customer and the vendor is also transmitted to the provider. The provider then bills the transaction amount to the customer and remits a portion of the transaction amount to the vendor, keeping the differential as a fee for providing the service. As a result of this method, there is no need for any customer account numbers or vendor account numbers to be transmitted over the Internet, thereby maintaining the security of that information.

94 Claims, 3 Drawing Sheets



ALL DRAWINGS ARE INCORRECT

FIG. 1

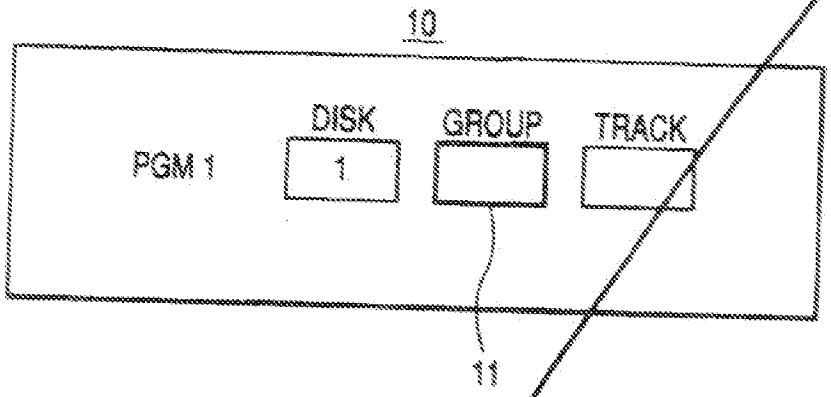


FIG. 2

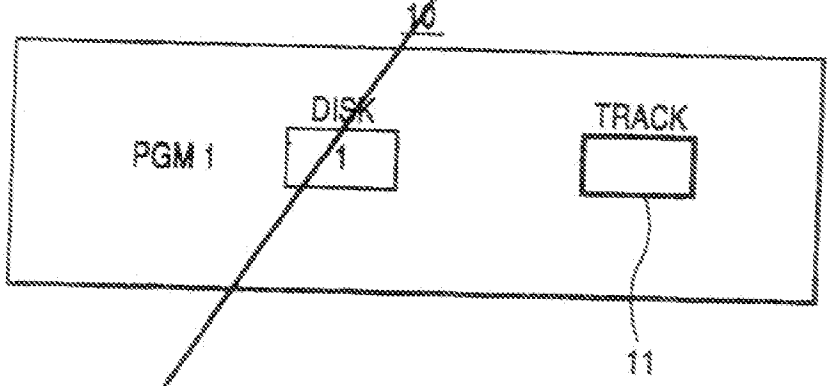


FIG. 3

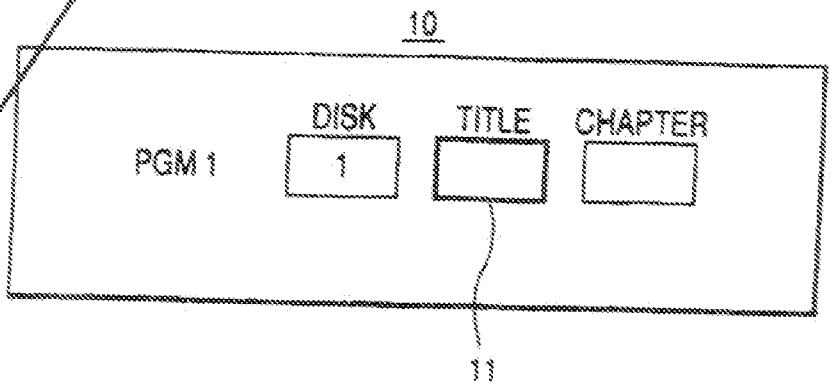


FIG. 4

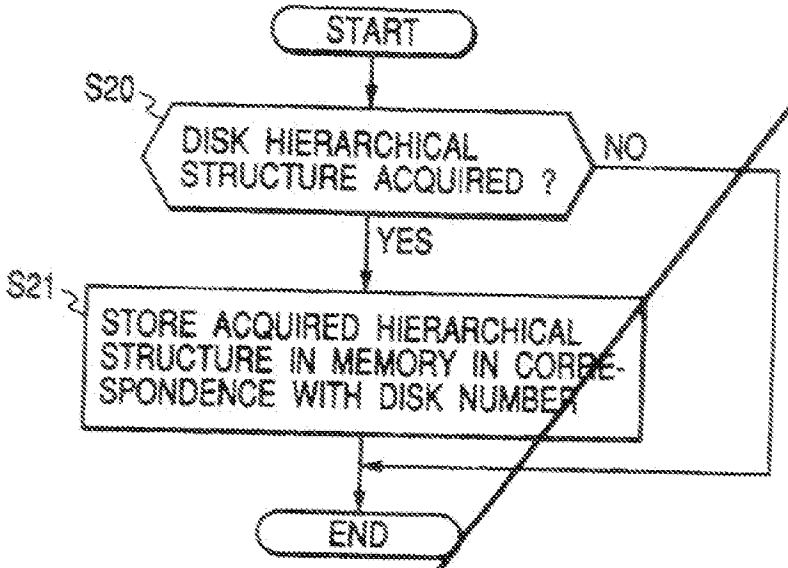

START
S20
DISK HIERARCHICAL STRUCTURE ACQUIRED ?
NO
YES
S21
STORE ACQUIRED HIERARCHICAL STRUCTURE IN MEMORY IN CORRESPONDENCE WITH DISK NUMBER
END

FIG. 5

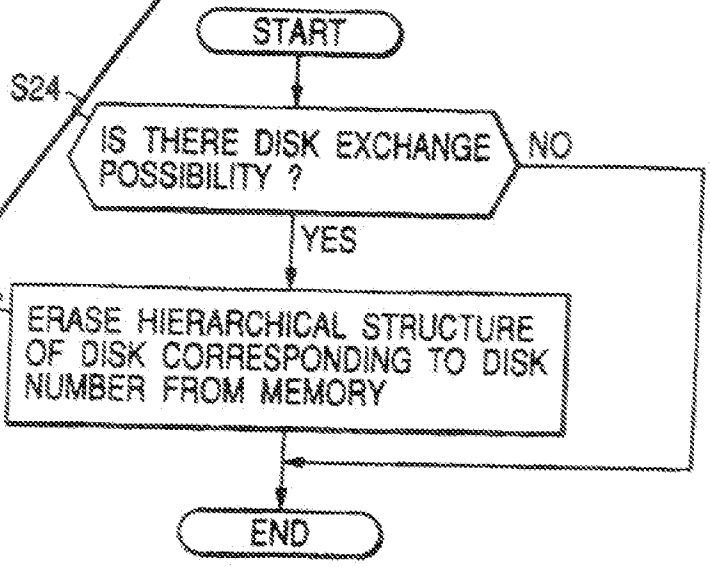
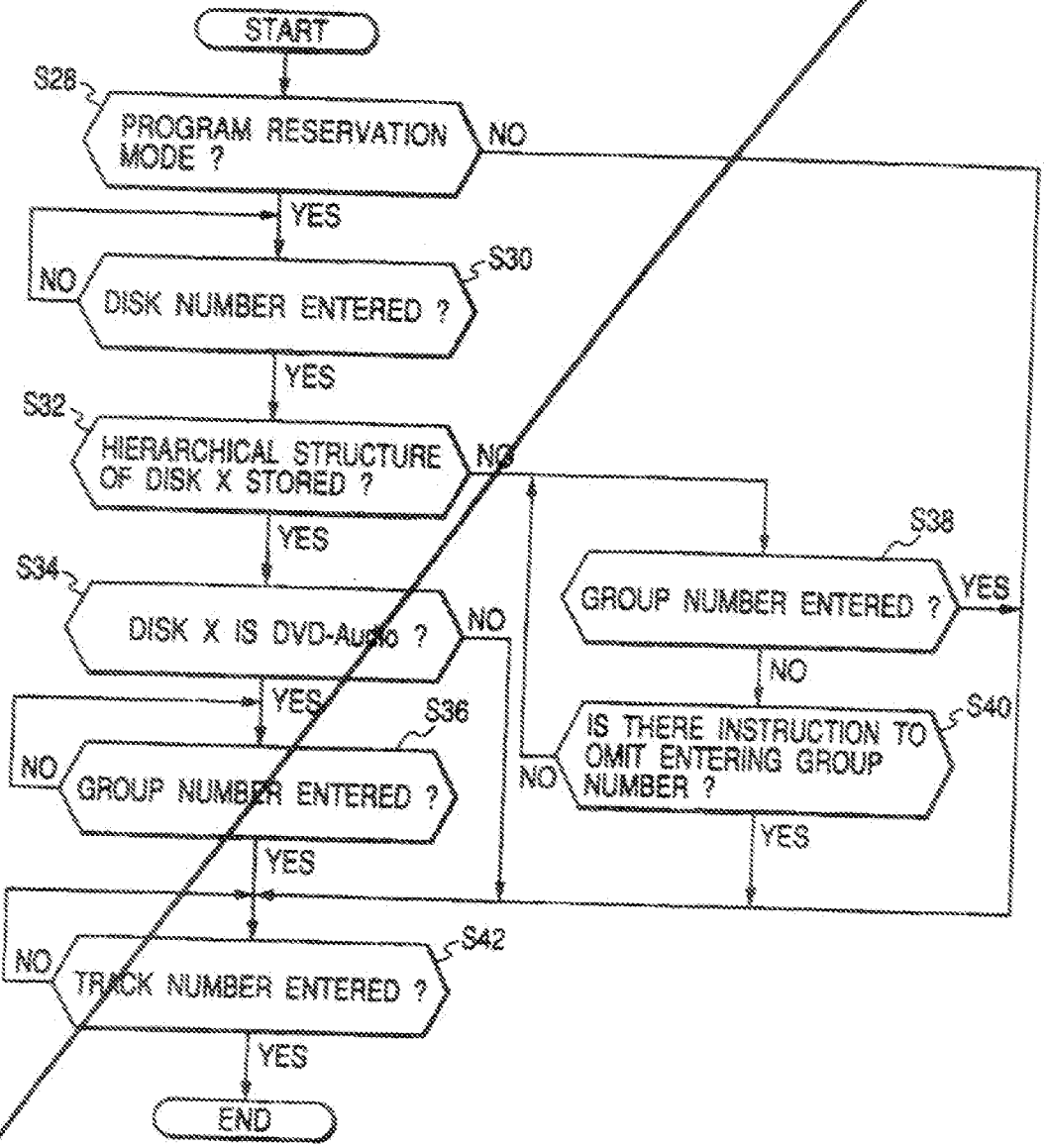

START
S24
IS THERE DISK EXCHANGE POSSIBILITY ?
NO
YES
S25
ERASE HIERARCHICAL STRUCTURE OF DISK CORRESPONDING TO DISK NUMBER FROM MEMORY
END

FIG. 6


START
S28
PROGRAM RESERVATION MODE ?
NO
YES
NO
S30
DISK NUMBER ENTERED ?
YES
S32
HIERARCHICAL STRUCTURE OF DISK X STORED ?
NO
YES
S34
DISK X IS DVD-Audio ?
NO
YES
NO
S36
GROUP NUMBER ENTERED ?
YES
S38
GROUP NUMBER ENTERED ?
YES
NO
S40
IS THERE INSTRUCTION TO OMIT ENTERING GROUP NUMBER ?
NO
YES
NO
S42
TRACK NUMBER ENTERED ?
YES
END

INTERNET BILLING METHOD

This application is a continuation application of application Ser. No. 09/568,925 filed May 11, 2000 and now pending, which is a continuation of application Ser. No. 09/057,230 filed Apr. 8, 1998 now U.S. Pat. No. 6,188,994, which is a continuation of application Ser. No. 08/499,535 filed Jul. 7, 1995 now U.S. Pat. No. 5,794,221.

BACKGROUND OF THE INVENTION

The present invention relates to a method of billing for commercial transactions over the Internet.

The Internet is a vast worldwide interconnection of computers and computer networks. The Internet does not consist of any specific hardware or group of connected computers, rather it consists of those elements that happen to be interconnected at any particular time. The Internet has certain protocols or rules regarding signal transmission and anyone with the proper hardware and software can be part of this interconnection.

At present, the technical and financial requirements for connecting directly to the Internet are beyond the resources of most individuals and thus new businesses known as Internet access providers have proliferated. These providers invest in the equipment needed to provide access to the Internet for subscribers who pay the providers a fee for the access. Providers include companies whose only business is to offer connection to the Internet, as well as on-line services such as Compuserve, American On-Line, and Prodigy. In addition, telephone companies and cable television companies have announced plans to provide Internet access. A party desiring to connect to the Internet by means of a provider typically connects via a modem over a telephone network to the provider's equipment which then connects the party, through the provider's equipment, to the Internet.

Although the origin of the Internet was for military use, today the primary users of the Internet are civilian. There is great activity at present attempting to utilize the Internet as a channel of commerce.

Many vendors advertise their products and services over the Internet and solicit orders from Internet users for these wares. While the preferred mode of payment is by credit card, there is great reluctance to transmit credit card account information over the Internet because of lack of security. Moreover, in situations wherein the transaction amount is small—from pennies to a few dollars—it is not economically feasible to use a credit card transaction. There is a need to be able to ensure that commercial transactions over the Internet are at least as secure as conventional transactions over the telephone, through the mails, and with on-line services where credit cards and/or billing accounts are used for purchases. Similarly, there is a need to be able to handle on the Internet a large number of small-sized transactions, similar to what is done by telephone companies for conventional telephone services.

The lack of security and the lack of a means to bill for small transactions are the biggest obstacles to commercial use of the Internet.

SUMMARY OF THE INVENTION

The main object of the present invention is to create a new business opportunity for telephone companies, cable television companies, existing Internet access providers, and companies offering financial services by creating a way for them to offer to their subscribers a method of securely buying and selling goods and services of any value over the Internet.

Another object of the present invention is an Internet billing method which is cost effective for transactions having transaction amounts ranging from pennies to a few dollars.

Still another object of the present invention is to provide a secure method of billing commercial transactions over the Internet.

A further object of the present invention is an Internet billing method which is simple to use from both the customer's point of view and that of vendors on the Internet.

Yet another object of the present invention is a billing method which can be used by a large number of existing Internet users without requiring major changes in the way users customarily behave and conduct commercial transactions.

These and other objects and advantages of the present invention are achieved by an Internet billing method in accordance with the present invention. A provider establishes an agreement with a customer, and a second agreement with a vendor, wherein the provider agrees with the customer and the vendor to bill for products and services purchased over the Internet by the customer from the vendor. Associated with the customer agreement are one or more billing accounts to which purchases may be charged. Associated with the vendor agreement are one or more methods of remitting funds to the vendor. The provider creates access to the Internet for the customer through the provider's equipment. When the customer orders a product or service over the Internet from the vendor, the provider obtains transactional information transmitted between the customer and the vendor including a transaction amount relating to the ordered product or service and the provider then bills the transaction amount to a customer billing account and remits a portion of the transaction amount to the vendor.

Which accounts are used may be specified in the agreements made between the provider and the customer and between the provider and the vendor, or may be specified in the transactional information. If specified in the transactional information, the selection of account can be made by referencing the type of account (e.g., "VISA", "phone bill"), or the position of that account on a predetermined list (e.g., "the 3rd account"), and does not require that any actual account numbers be transmitted.

By the use of this method, there is no need for the customer to transmit over the Internet any information containing any of the customer's billing account numbers thereby maintaining the security of that information.

The present invention, in a preferred embodiment, is a method of providing merchants with the ability to offer customers secure transactions for the purchase of goods and services of any value over the Internet, without the need for the customer to transmit any credit card or other account numbers over the Internet, without the need for the customer to sign up with any additional provider of services, and without the need to change the manner in which most customers currently use the Internet.

In accordance with the present invention, a customer desiring to purchase goods and services over the Internet has prearranged access to the Internet through the services of an Internet access provider. Such providers can be, for example, companies whose only business is to offer connection to the Internet, companies which offer on-line computer services, one of which is connection to the Internet, cable television companies, or telephone companies. In arranging for access with such a provider, the customer has agreed with the provider on a method of payment which is, for example, by

billing, or charge to a credit card, or charge to an account of the user which could be an account specific to the Internet or could be a more general account, such as an on-line computer services account, a cable television account, a telephone account, or a bank account.

Once the prearrangements have been completed, using the provider's service to connect to the Internet typically involves calling a telephone number of the provider and being automatically connected through the provider's equipment to the Internet.

Once connected to the Internet, the customer can browse around until an item is located that the customer wishes to purchase, at which time the customer will follow the instructions created by the vendor, exchange transactional information, and ultimately agree to purchase something by taking an appropriate action. In the course of making the purchase, the means of delivery of the goods or service will be established. Depending on the type of goods, delivery can be made, for example, by mail (e.g., in the case of a purchase of a book), by courier service (e.g., in the case of a purchase of flowers), or by electronic transmission over the Internet (e.g., in the case of delivery of an electronic newsletter or piece of software). The remaining element of the purchase transaction is the manner in which the customer pays the vendor.

In accordance with the present invention, the provider has made arrangements with vendors who wish to sell goods and services over the Internet to the customers of the provider. The provider agrees to the billing associated with such sales for the vendor. As part of the agreement, the provider and the vendor have agreed on the manner in which the provider will remit funds to the vendor. Examples of payment include payment by check, credit to the vendor's credit card merchant account, credit to another account of the vendor's, such as the vendor's cable television account, telephone account, or bank account. The account of the vendor to be credited need not be with the provider. The arrangements that are made will depend on the vendor's desires and the capabilities of the provider. For example, if the vendor anticipates many small transactions and the provider is a telephone company, they can agree that the provider will credit the vendor's existing telephone account for amounts under some nominal amount and credit the vendor's credit card merchant account for larger amounts. If the vendor anticipates large transactions, then they may agree that the provider will pay by check or direct credit to the vendor's bank account.

In a typical transaction in accordance with the present invention, from the customer's point of view all use of the Internet appears to be conventional. Depending upon the prearrangements made between the provider and the customer and between the provider and the vendor, the customer can charge a purchase, for example, to a credit card, to a cable television account, to a telephone account, or to a bank account. The account of the customer to be billed need not be with the provider. For example, the customer may be using one telephone company as an access provider and a second telephone company as a telephone service provider and the account to be billed is that with the second telephone company. The customer specifies which account is to be billed by an indication to the provider, but neither the customer nor the vendor has to transmit account numbers over the Internet, because it is the provider, to the vendor, who submits the charge to the credit card company, the cable television company, the telephone company, or to another account of the customer, or who debits the bank account of the customer, and the provider already has been given, during the course of making prearrangements with the customer and the vendor, the appropriate account numbers of both the customer and the vendor. The provider sends this information to the appropriate party, and may do so by the same secure means customarily used for similar transactions not made over the Internet.

From the vendor's point of view, the transaction is as secure as a transaction made over the telephone with a credit card. If the vendor wishes, the vendor may verify with the provider that the address supplied by the customer for shipment of the goods has been authorized by the customer in the same manner in which such verification would be made for the same transaction made over the telephone with a credit card. In addition, because such a verification does not require the transmission of any account numbers of the customer, the verification can be done over the Internet as part of the transaction transmission itself if the provider and the vendor have prearranged to do so.

From the provider's point of view, the provider is made aware that the customer has authorized the charge by monitoring the data being sent over the Internet through the provider's equipment between the customer and the vendor. This can be done, for example, by specifying a specific code which, when sent between the customer and the vendor, indicates to the provider that a transaction has been completed. When the customer has made a purchase, the provider charges the transaction amount to the agreed account of the customer and remits the agreed portion of that amount to the vendor, keeping the differential as the provider's charge for making the service available.

These and other features and advantages of the present invention will become apparent from the following detailed description of the invention with reference to the attached drawings, wherein:

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is a block diagram of a system for carrying out the billing method according to the present invention;

FIG. 2 is a flow chart of one embodiment of the method according to the present invention; and

FIG. 3 is a flow chart of another embodiment of the method according to the present invention.

DETAILED DESCRIPTION OF THE INVENTION

Referring to FIG. 1, a system for carrying out the method of the present invention is shown. In that system, the Internet is shown schematically as network 1 to which providers 2, 3, vendors 5.1–5.*n*, 6.1–6.*n* and 8.1–8.*n*, and customers 4.1–4.*n* and 10.1–10.*n* (where n is an integer to indicate a range from one to many) are connected in different ways.

Provider 2 is connected to access network 3 and the Internet 1 and provides access to the Internet 1 for customers 4.1–4.*n* and vendors 6.1–6.*n* connected to access network 3. Access network 3 is an on-line service network such as CompuServe, America On-Line, or Prodigy, or a private Internet access network. Similarly, provider 3 is connected to access network 7 and the Internet 1 and provides access to the Internet 1 for customers 10.1–10.*n* and vendors 8.1–8.*n*. Vendors 5.1–5.*n* access the Internet directly by their own equipment.

In accordance with the method shown in the flow chart of FIG. 2, for example, in step 11 provider 3 establishes agreements with vendors 5.1–5.*n* who are connected directly to the Internet, with vendors 6.1–6.*n* who access the Internet

via access network 3 and provider 2, and with vendors 8.1–8.n who are connected to the Internet 1 via access network 7 and provider 9, to bill customers 4.1–4.n for goods and services purchased by them over the Internet from vendors 5.1–5.n, 6.1–6.n and 8.1–8.n. Provider 2 also agrees to remit a portion of the collected money back to the vendors. Provider 2 also establishes an agreement with each of customers 4.1–4.n. These agreements provide that the provider will bill the customer for goods and services purchased by them over the Internet. The billing will be done to billing accounts established in connection with the agreements. The billing accounts can be, for example, credit card accounts, telephone accounts, cable television accounts, on-line services accounts, or bank accounts. The accounts need not be with the provider if the provider has a billing agreement in place with the party with whom the account was established.

As part of the services of the provider to customers 4.1–4.n, the customer is connected to the Internet 1 in step 12 at a desired time, typically by making contact via modem. Once connected to the Internet, the customer can interface with any one of vendors 5.1–5.n, 6.1–6.n and 8.1–8.n in order to find out about products or services offered by those vendors.

17. When one of customers 4.1–4.n makes the decision to order a product or service from one of vendors 5.1–5.n, 6.1–6.n and 8.1–8.n, in step 15 an exchange of transactional information occurs between the customer and the vendor. This exchange may include identifying information relating to the customer, such as the customer's Internet address, information relating to the products or services to be purchased, including the transaction amount, the manner and time of delivery, and a reference number to identify the order. The vendor or the customer also can produce a verification code signifying that a transaction has been completed which can be received by provider 2.

18. In step 16, the transactional information is obtained by provider 2. The communication can be a separate transmission by the vendor or the customer, or provider 2 can extract the information from the vendor through equipment of provider 2. Provider 2 will then send verifying information to one or both of the customer and vendor to indicate that the transaction has been approved, if approval of a third party, such as credit card company, is required. Most importantly, the entire transaction takes place without the need of communicating the customer's credit card or other account number over the Internet 1.

19. The product or service is delivered to the customer in step 15 and the appropriate billing account is billed by provider 2 in step 17. Provider then remits the agreed payment in the appropriate amount to the vendor in step 17, keeping the differential as a service charge for the services rendered by provider 2. Steps 15, 16 and 17 may be performed in any order.

As can be seen from FIG. 1, the method according to the present invention can be carried out in many ways. For example, referring to FIG. 3, vendor 5.1 in step 21 can establish remitting agreements with provider 2 and provider 8 to remit to vendor 5.1 a portion of a transaction amount billed to the billing account of any one of customers 20. 4.1–4.n and 10.1–10.n.

Similarly, each of vendors 6.1–6.n can establish a remitting agreement with provider 9 for transactions carried out over the Internet between each of vendors 6.1–6.n and 21. customer 10.1–10.n.

22. A customer connects to the Internet in step 22. The customer exchanges transactional information with the vendor in step 23 and the vendor delivers a product or services 23. to the customer in step 25, either before or after the vendor receives remittances from the provider in step 27.

In accordance with another feature of the present invention, prior to the billing of the transaction amount to the account of the customer, and after obtaining the transactional information, the provider can obtain approval from 24. a third party to bill the transaction amount to the billing account. This is particularly true in the case where the billing account is a credit card account or a bank account. In that instance, approval must be obtained from a third party, i.e., the bank issuing the credit card or with whom the bank account was established. Where the account is with the provider, approval would be obtained from the provider 25. itself. In a preferred embodiment of the present invention, the approval can be obtained over the Internet and most preferably during the communication between the customer and the vendor.

In accordance with a further feature of the present invention, the customer can specify a particular billing account, for example, a credit card account, a bank account, a telephone number account, a cable television account or an on-line services account at the time that the billing agreement is established with the provider. The specification can provide that one account will be used for certain 26. transactions, and a different account for other transactions, for example, a telephone account for transactions less than $5.00, and a bank account for transactions of at least $5.00. Thereafter, whenever the transaction amount is to be billed, it will be billed to that specified billing account. Alternatively, the customer can specify a plurality of billing accounts, for example, an AMEX account, a VISA account, a Mastercard account at the time that the billing agreement is established. When the transactional information is communicated, it will include an identification of which of those plurality of billing accounts the customer wants billed, without, however, specifying the account number of the account. Thus the customer can designate an account by the "brand" name AMEX, VISA, Mastercard or the 27. customer can identify it as the first account, second account or third account on a list previously established with the provider.

As noted above, the billing account is not necessarily with the provider, that is, it can be with a third party such as a bank 28. issuing a credit card, or a bank at which the customer has a bank account. Alternatively, the provider can be a first telephone company, but the billing account can be with a second telephone company and charged by the first telephone company to the telephone number account of the customer with the second telephone company, as is customarily done in connection with conventional telecommunications services.

In accordance with the invention, the remitting can be by means of sending money or by crediting a vendor account such as a credit card merchant account, a bank account, a telephone number account, a cable television account or a 29. on-line services account.

In a preferred embodiment of the present invention, the step of establishing the remitting account comprises specifying a particular vendor account to which the portion of the transaction amount will be remitted. The specification can provide that one account will be used for certain 30. transactions, and a different account for other transactions, for example, a telephone account for transactions less than $5.00, and a bank account for transactions of at least $5.00. In an alternative embodiment of the present invention, the

step of establishing the remitting agreement comprises the vendor specifying a plurality of vendor accounts to which a portion of the transaction account can be remitted. Thus when the transactional information is communicated, the vendor can identify which one of the plurality of vendor accounts the amount is to be remitted to without, however, specifying the vendor account number.

The vendor account may be an account with the provider or an account with the third party such as a credit card merchant account, or bank account, with a bank, or a cable television account with a cable television company.

It is understood that the embodiments described hereinabove are merely illustrative and are not intended to limit the scope of the invention. It is realized that various changes, alterations, rearrangements and modifications can be made by those skilled in the art without substantially departing from the spirit and scope of the present invention.

What is claimed is:

1. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement,

wherein after establishing the billing agreement the third party does not transfer ownership of the product or service from the selling vendor to the purchasing customer.

2. The method according to claim 1, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

3. The method according to claim 1 or 2, wherein the third party is a cable television company, a company offering financial services, an Internet access provider, or a telephone company.

4. The method according to claim 3, further comprising the step of obtaining approval for charging the first amount from a party other than the purchasing customer and the selling vendor prior to the step of charging.

5. The method according to claim 4, wherein the party other than the purchasing customer and the selling vendor is a bank, a company offering financial services, a credit card company, an Internet access provider, or the third party.

6. The method according to claim 3, wherein the step of charging comprises sending a bill or charging an account with a bank, a cable television company, a company offering financial services, a credit card company, an Internet access provider, a telephone company, or the third party.

7. The method according to claim 3, wherein the step of remitting comprises sending a check or crediting an account with a bank, a cable television company, a company offering financial services, a credit card company, an Internet access provider, a telephone company, or the third party.

8. The method according to claim 3, wherein the second amount is less than the first amount.

9. The method according to claim 3, wherein the step of remitting is performed before the step of charging.

10. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor,

wherein after establishing the billing agreement the company offering financial services does not transfer ownership of the product or service from the selling vendor to the purchasing customer.

11. The method according to any one of claims 1, 2, and 10, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

12. The method according to claim 3, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

13. The method according to claim 4, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

14. The method according to claim 5, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

15. The method according to claim 6, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

16. The method according to claim 7, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

17. The method according to claim 8, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

18. The method according to claim 9, wherein the step of receiving is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction.

19. The method according to any one of claims 1, 2, and 10, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

20. The method according to claim 3, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

21. The method according to claim 4, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

22. The method according to claim 5, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

23. The method according to claim 6, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

24. The method according to claim 7, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

25. The method according to claim 8, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

26. The method according to claim 9, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

27. The method according to claim 11, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

28. The method according to claim 12, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

29. The method according to claim 13, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

30. The method according to claim 14, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

31. The method according to claim 15, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

32. The method according to claim 16, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

33. The method according to claim 17, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

34. The method according to claim 18, wherein the step of establishing a remitting agreement does not require the third party to charge the purchasing customer.

35. The method according to any one of claims 1, 2, and 10, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

36. The method according to claim 3, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

37. The method according to claim 4, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

38. The method according to claim 5, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

39. The method according to claim 6, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

40. The method according to claim 7, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

41. The method according to claim 8, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

42. The method according to claim 9, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

43. The method according to claim 11, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

44. The method according to claim 12, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

45. The method according to claim 13, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

46. The method according to claim 14, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

47. The method according to claim 15, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

48. The method according to claim 16, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

49. The method according to claim 17, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

50. The method according to claim 18, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

51. The method according to claim 19, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

52. The method according to claim 20, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

53. The method according to claim 21, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

54. The method according to claim 22, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

55. The method according to claim 23, wherein after the step of establishing a billing agreement the third party does not approves an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

56. The method according to claim 24, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

57. The method according to claim 25, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

58. The method according to claim 26, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

59. The method according to claim 27, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

60. The method according to claim 28, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

61. The method according to claim 29, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

62. The method according to claim 30, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

63. The method according to claim 31, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

64. The method according to claim 32, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

65. The method according to claim 33, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

66. The method according to claim 34, wherein after the step of establishing a billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

67. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement.

38.

68. The method according to claim 67, wherein an credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

69. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the third party to charge the purchasing customer;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the

purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement.

78. The method according to claim 68, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

71. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement;

f) remitting the second amount to the selling vendor in accordance with the remitting agreement; and

wherein after establishing the billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

73. The method according to claim 71, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

73. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the third party to charge the purchasing customer;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement.

74. The method according to claim 73, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

78. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have agreed to enter into the purchase transaction;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement.

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wherein after establishing the billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

76. The method according to claim 75, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

77. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the third party to charge the purchasing customer;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement,

wherein after establishing the billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

78. The method according to claim 77, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

79. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted, to the selling vendor, the method comprising the steps by a third party to the purchase transaction of:

44.

a) establishing a billing agreement with the purchasing customer to permit the third party to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the third party to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the third party to charge the purchasing customer;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have to enter into the purchase transaction;

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e) charging the first amount to the purchasing customer in accordance with the billing agreement; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement,

wherein after establishing the billing agreement the third party does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

80. The method according to claim 79, wherein no credit card account number of the purchasing customer and no bank account number of the purchasing customer is transmitted over the Internet by the third party to the selling vendor prior to the step of remitting.

81. The method according to any one of claims 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, and 80, wherein the third party is a cable television company, a company offering financial services, an Internet access provider, or a telephone company.

82. The method according to claim 81, further comprising the step of obtaining approval for charging the first amount from a party other than the purchasing customer and the selling vendor prior to the step of charging.

83. The method according to claim 82, wherein the party other than the purchasing customer and the selling vendor is a bank, a company offering financial services, a credit card company, an Internet access provider, or the third party.

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84. The method according to claim 83, wherein the step of charging comprises sending a bill or charging an account with a bank, a cable television company, a company offering financial services, a credit card company, an Internet access provider, a telephone company, or the third party.

85. The method according to claim 81, wherein the step of remitting comprises sending a check or crediting an account with a bank, a cable television company, a company offering financial services, a credit card company, an Internet access provider, a telephone company, or the third party.

86. The method according to claim 81, wherein the second amount is less than the first amount.

87. The method according to claim 81, wherein the step of remitting is performed before the step of charging.

88. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to

the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have to enter into the purchase transaction;

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e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to selling vendor.

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89. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the company offering financial services to charge the purchasing customer;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor.

90. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

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c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor,

wherein after establishing the billing agreement the company offering financial services does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

91. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial

services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the company offering financial services to charge the purchasing customer;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have to enter into the purchase transaction;

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e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor.

92. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have to enter into the purchase transaction;

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e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor,

wherein after establishing the billing agreement the company offering financial services does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

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93. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transaction over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

53.

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the company offering financial services to charge the purchasing customer;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a request from the selling vendor to charge the first amount to the purchasing customer;

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor,

wherein after establishing the billing agreement the company offering financial services does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

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94. An Internet billing method for a plurality of customers and a plurality of vendors of products or services for transactions over the Internet between a purchasing customer of the plurality of customers and a selling vendor of the plurality of vendors, wherein, for each purchase transaction of a product or service between the purchasing customer and the selling vendor, a first amount is charged to

the purchasing customer and a second amount is remitted to the selling vendor, the method comprising the steps by a third party company offering financial services of:

a) establishing a billing agreement with the purchasing customer to permit the company offering financial services to charge the purchasing customer and to remit to a selling vendor for a purchase transaction;

b) establishing a remitting agreement with the selling vendor to permit the company offering financial services to charge a purchasing customer and to remit to the selling vendor for a purchase transaction, wherein the remitting agreement does not require the company offering financial services to charge the purchasing customer;

c) providing a communications link through equipment of the third party between the purchasing customer and the selling vendor to permit the purchasing customer to communicate over the Internet with the selling vendor concerning the purchase transaction;

d) receiving authorization over the Internet from the purchasing customer to charge the first amount to the purchasing customer without previously receiving a

55.

request from the selling vendor to charge the first amount to the purchasing customer, wherein receiving authorization is performed after the purchasing customer and the selling vendor have to enter into the purchase transaction;

56.

e) charging the first amount to the purchasing customer in accordance with the billing agreement by charging a bank account, a credit card account, or an account with the company offering financial services; and

f) remitting the second amount to the selling vendor in accordance with the remitting agreement without previously transmitting a credit card account number of the purchasing customer over the Internet to the selling vendor and without previously transmitting a bank account number of the purchasing customer over the Internet to the selling vendor,

wherein after establishing the billing agreement the company offering financial services does not approve an agreement between the purchasing customer and the selling vendor to enter into the purchase transaction.

57.

* * * * *

HOGAN & HARTSON
LLP

[redacted]

May 18, 2006

[redacted]

Ms. Marcella Joyce
Fax: 703-[redacted]
Tel: 703-[redacted]

Re: Corrected Certificate of Correction for USP 6,976,998

Dear Ms. Joyce:

Further to your conversation this morning with Mr. Sprenkel, the President of Fairview Network Corporation, please prepare a Corrected Certificate of Correction for USP 6,976,998. The patent issued on December 13, 2005, and the Certificate of Correction was scheduled to issue on May 9, 2006.

You already have been issued a copy of the title and file pages of the Certificate of Correction with the 8 errors marked thereon. These errors are:

1. The error listed as in Column 15, line 38 should be listed as in Column 16, line 38
2. The error listed as in Column 15, line 39 should be listed as in Column 17, line 39
3. The error listed as in Column 15, line 40 should be listed as in Column 17, line 40
4. The error listed as in Column 15, line 41 should be listed as in Column 18, line 41
5. The error listed as in Column 15, line 57 should be listed as in Column 16, line 19
6. The error listed as in Column 15, line 59 should be listed as in Column 17, line 11

Thank you for your time with this matter.

Very truly yours,

[redacted]
Enc. [redacted]

[redacted]

[redacted]

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
APPLICATION NO. : 08/975839
DATED : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Title page showing an illustrative figure, should be deleted and substitute the attached title page.

Title page.

Item [56], References Cited, U.S. PATENT DOCUMENTS, add the following:

-- 3,652,795	3/1972	Wolf et al.	379/91.01
5,146,491	9/1992	Silver et al.	379/114.24
5,283,731	2/1994	Lalonde et al.	705/1
5,446,489	8/1995	Egendorf	725/1
5,590,197	12/1996	Chen et al.	705/65
5,724,424	3/1998	Gifford	705/79
5,727,163	3/1998	Bezos	705/27
5,819,092	10/1998	Ferguson et al.	717/1
5,826,241	10/1998	Stein et al.	705/26 --.

FOREIGN PATENT DOCUMENTS, add the following:

-- 97/41586	11/6/97	WO
05-014510	1/22/93	Japan
06-291889	10/18/94	Japan
07-056888	3/3/95	Japan --.

OTHER PUBLICATIONS, add the following:

-- Paul, Nora. "Database and Bulletin Board Services: A Guide to On-Line Resources". The Quill, vol. 81, no. 7, p. 18. September, 1993.

Brenner, Joseph. "Guide to Database Distribution: Legal Aspects and Model Contracts, Second Edition". National Federation of Abstracting and Information Services, chapters 3, 4, and 6. 1994.

"New Line for SBA". Family and Home Office Computing, vol. 12, no. 4, p. 19. April, 1994.

Blankenhorn, Dana. "Virtual Mall Opens in Cyberspace. Newsbytes. June 20, 1994.

Gonadia et al. "NetBill 1994 Prototype". Carnegie Mellon University Information Networking Institute. August, 1994.

Meece, Mickey. "Start-Up Offers Payment System for Data Bought Over Internet". American Banker, vol. 159, no. 203, p. 1. Oct. 20, 1994.

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
APPLICATION NO. : 09/975839
DATED : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Title page (cont'd).

Rodriguez, Karen. "Cyberspace Start-Ups Offer Internet Wares". Info World, vol. 16, no. 43, p. 8. Oct. 24, 1994.

"First Virtual Bank of Cyberspace". Newsbytes News Network. October 28, 1994.

Press, Larry. "Commercialization of the Internet". Communications of the ACM, vol. 37, no. 10, p. 17. November, 1994.

Wiegers, Alex. "First Virtual Really Pays Bills". Business Journal, vol. 12, no. 48, p. 1. December 26, 1994.

Cummings, Joanne, and Knight, Fred. "Internet Service Providers to Ride a Familiar Roller Coaster". Business Communications Review, vol. 25, no. 1, p. 67. January, 1995.

Day, Jacqueline. "Industry Players in Hot Pursuit of Secure Internet Transaction Mode". Bank Systems & Technology, vol 32, no. 1. January, 1995.

Into the Cyberspace". Credit Card Management, vol. 7, no. 11, p. 34. February, 1995.

Blankenhorn, Dana. "Building the Tools for Web Commerce". Interactive Age, vol. 2, no. 8, p. 34. February 13, 1995.

Knowles, Anne. "Improved Internet Security Enabling On-Line Commerce (new services based on Secure Hypertext Transfer Protocol, Secure Sockets Layer Standards)". PC Week, vol. 12, no. 11, p. 1. March 20, 1995.

Marriman, Michele. "First Union, Open Market Hit the Internet". Bank Systems + Technology, vol. 32, no. 5, p. 6. May, 1995.

Singleton, Andrew. "Cash on the Wirehead: You Can't Do Business on the Internet If You Can't Pay Your Bills or Get Paid. Here's How". Byte, vol. 20, no. 6, p. 71. June, 1995.

Bowers, Richard. "First Virtual Offers Unique Internet Payment System". Newsbytes News Network, p. 1. June 23, 1995.

Bowers, Richard. "First Virtual Creates Corporation of Future". Newsbytes News Network, p. 1. June 28, 1995. --.

Column 1,
Line 31, "nave" should read -- have --.

Column 2,
Line 12, "exxisting" should read -- existing --.
Lines 29 and 37, "vender," should read -- vendor, --.
Lines 50-51, "offer customers" should read -- offer their customers --.
Line 56, "chance" should read -- change --.

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
APPLICATION NO. : 09/975839
DATED : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Column 3,
Line 29, "agrees to the" should read -- agrees to do the --.
Line 35, "vendor's" should read -- vendor's --.
Line 53, "or example," should read -- for example, --.
Line 54, "or o s" should read -- or to a --.
Line 63, "provider, to the" should read -- provider, not the --.

Column 4,
Line 6, "make" should read -- made --.
Line 55, "providers" should read -- provides --.
Line 57, "Access network, an" should read -- Access network 3 can be a telephone network, a cable television network, an --.
Line 58, "Prodigy, r a" should read -- Prodigy, or a --.
Line 66, "agreement" should read -- agreements --.

Column 5,
Line 25, "form" should read -- from --.
Line 40, "from the vendor" should read -- from the exchange of information taking place between the customer and the vendor --.
Line 50, "Provider then" should read -- Provider 2 then --.
Line 61, "4.1-4.*n*and" should read -- 4.1-4.*n* and --.
Line 65, "customer" should read -- customers --.
Line 66, "is" should read -- in --.

Column 6,
Line 1, "services" should read -- service --.
Lines 7 and 14, "form" should read -- from --.
Line 26, "sued" should read -- used --.
Line 39, "VISA, Mastercard" should read -- VISA or Mastercard --.
Line 44, "is, t can" should read -- is, it can --.
Line 57, "or a" should read -- or an --.
Line 63, "For" should read -- for --.

Column 7,
Line 8, "amount" should read -- account --.
Line 9, "with the third" should read -- with a third --.
Line 62, "on internet" should read -- an Internet --.

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
APPLICATION NO. : 09/975839
DATED : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Column 8,
Line 8, "company an" should read -- company, an --.
Line 61, "preformed" should read -- performed --.

Column 9,
Line 3, "arced" should read -- agreed --.
Line 34, "patty" should read -- party --.

Column 12,
Line 23, "transaction." should read -- transaction; --.

Column 13,
Line 11, "by to" should read -- by the --.
Line 22, "patty" should read -- party --.
Line 45, "agreement; and" should read -- agreement, --.
Line 61, "vendor a" should read -- vendor, a --.

Column 14,
Line 67, "agreement." should read -- agreement, --.

Column 15,
Line 61, "remitted, to" should read -- remitted to --.

Column 16,
Line 18, "have to" should read -- have agreed to --.
Line 44, "tan" should read -- than --.

Column 17,
Line 23, "have to" should read -- have agreed to --.
Line 35, "to selling" should read -- to the selling --.

Column 18,
Line 29, "transaction," should read -- transaction; --.

Column 19,
Line 21, "have to" should read -- have agreed to --.
Line 64, "have to" should read -- have agreed to --.

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
APPLICATION NO. : 09/975839
DATED : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Column 20,
Line 10, "alter" should read -- after --.
Line 16, "transaction over" should read -- transactions over --.
Line 57, "alter" should read -- after --.

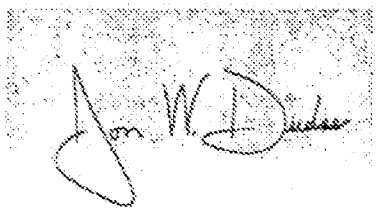
Column 21,
Line 11, "transaction;" should read -- transaction, --.

Column 22,
Line 4, "have to" should read -- have agreed to --.
Line 17, "alter" should read -- after --.

This certificate supersedes Certificate of Correction issued May 9, 2006.

Signed and Sealed this

Thirteenth Day of February, 2007



JON W. DUDAS
Director of the United States Patent and Trademark Office

(12) **United States Patent**
Egendorf

(10) **Patent No.: US 6,976,008 B2**
(45) **Date of Patent: *Dec. 13, 2005**

(54) INTERNET BILLING METHOD

(75) Inventor: Andrew Egendorf, Lincoln, MA (US)

(73) Assignee: Netcraft, Corporation, Lincoln, MA (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 390 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: 09/978,859

(22) Filed: Oct. 11, 2001

(65) Prior Publication Data

US 2002/0032654 A1 Mar. 14, 2002

Related U.S. Application Data

(63) Continuation of application No. 09/568,925, filed on May 11, 2000, which is a continuation of application No. 09/057,230, filed on Apr. 8, 1998, now Pat. No. 6,188,994, which is a continuation of application No. 08/499,535, filed on Jul. 7, 1995, now Pat. No. 5,794,221.

(51) Int. Cl.[7] G06F 17/60

(52) U.S. Cl. 705/40; 705/41; 705/42

(58) Field of Search 705/40, 41, 42

(56) References Cited

U.S. PATENT DOCUMENTS

3,573,747	A *	4/1971	Adams	340/172.5
5,146,491	A *	9/1992	Silver et al.	379/114
5,329,589	A *	7/1994	Fraser et al.	379/91.02
5,396,324	A *	2/1995	Clearwater	705/8
5,446,488	A *	8/1995	Egendorf	348/3
5,737,414	A	4/1998	Walker et al.	380/24
5,845,265	A	12/1998	Woolston	705/37

OTHER PUBLICATIONS

Carnegie Mellon University, "Internet billing Server Prototype Scope Document INI Technical Report 1995–1" (Oct. 14, 1993).*

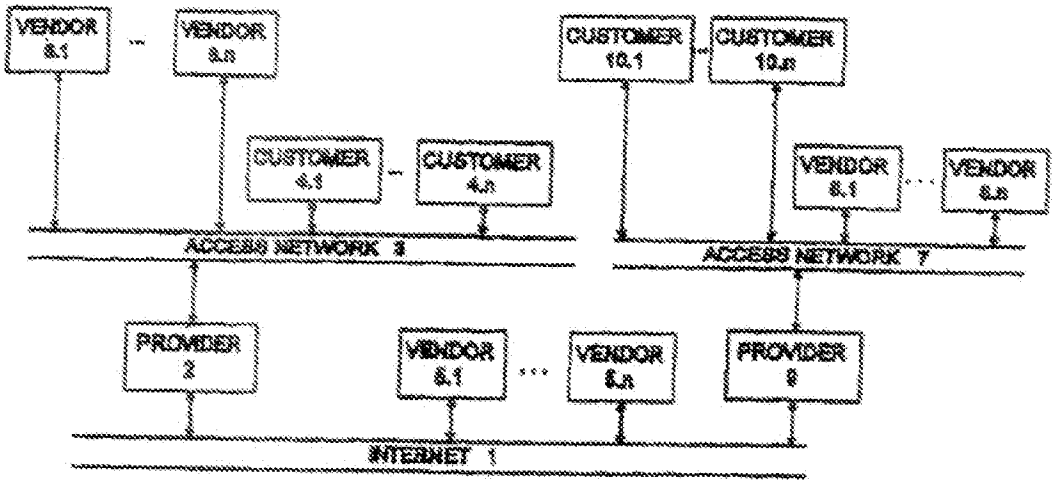
* cited by examiner

Primary Examiner—V. Millin
Assistant Examiner—Daniel S. Felten
(74) *Attorney, Agent, or Firm*—Hogan & Hartson L.L.P.

(57) ABSTRACT

An Internet billing method comprises establishing an agreement between an Internet access provider and a customer, and an agreement between the Internet access provider and a vendor, wherein the Internet access provider agrees with the customer and the vendor to bill the customer and remit to the vendor for products and services purchased over the Internet by the customer from the vendor. The provider creates access to the Internet for the customer. When the customer orders a product or service over the Internet from a vendor, transactional information transmitted between the customer and the vendor is also transmitted to the provider. The provider then bills the transaction amount to the customer and remits a portion of the transaction amount to the vendor, keeping the differential as a fee for providing the service. As a result of this method, there is no need for any customer account numbers or vendor account numbers to be transmitted over the Internet, thereby maintaining the security of that information.

94 Claims, 3 Drawing Sheets



VENDOR 6.1
VENDOR 6.n
CUSTOMER 4.1
CUSTOMER 4.n
ACCESS NETWORK 3
PROVIDER 2
VENDOR 5.1
VENDOR 5.n
INTERNET 1
PROVIDER 9
CUSTOMER 10.1
CUSTOMER 10.n
VENDOR 8.1
VENDOR 8.n
ACCESS NETWORK 7

FIG. 1

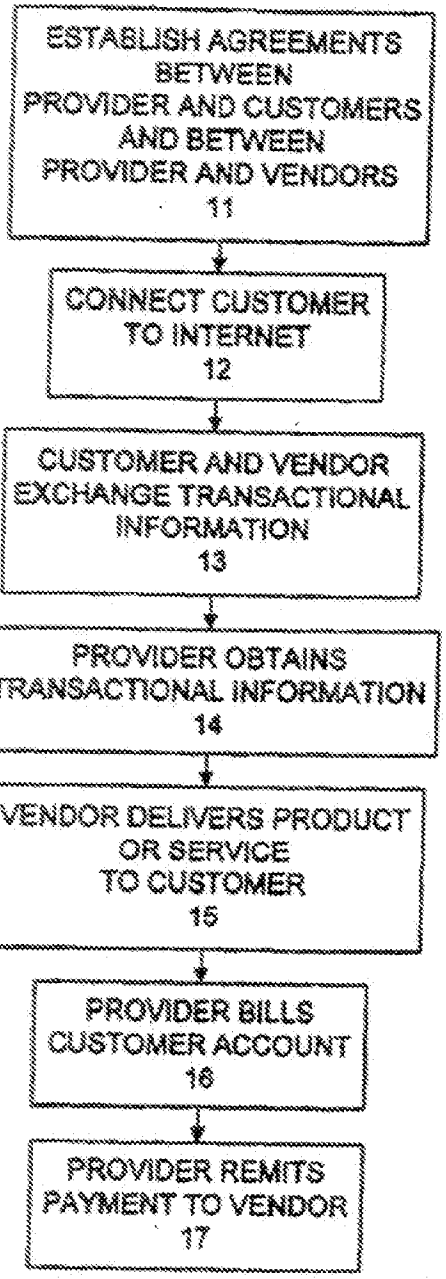

ESTABLISH AGREEMENTS BETWEEN PROVIDER AND CUSTOMERS AND BETWEEN PROVIDER AND VENDORS
11
CONNECT CUSTOMER TO INTERNET
12
CUSTOMER AND VENDOR EXCHANGE TRANSACTIONAL INFORMATION
13
PROVIDER OBTAINS TRANSACTIONAL INFORMATION
14
VENDOR DELIVERS PRODUCT OR SERVICE TO CUSTOMER
15
PROVIDER BILLS CUSTOMER ACCOUNT
16
PROVIDER REMITS PAYMENT TO VENDOR
17

FIG. 2

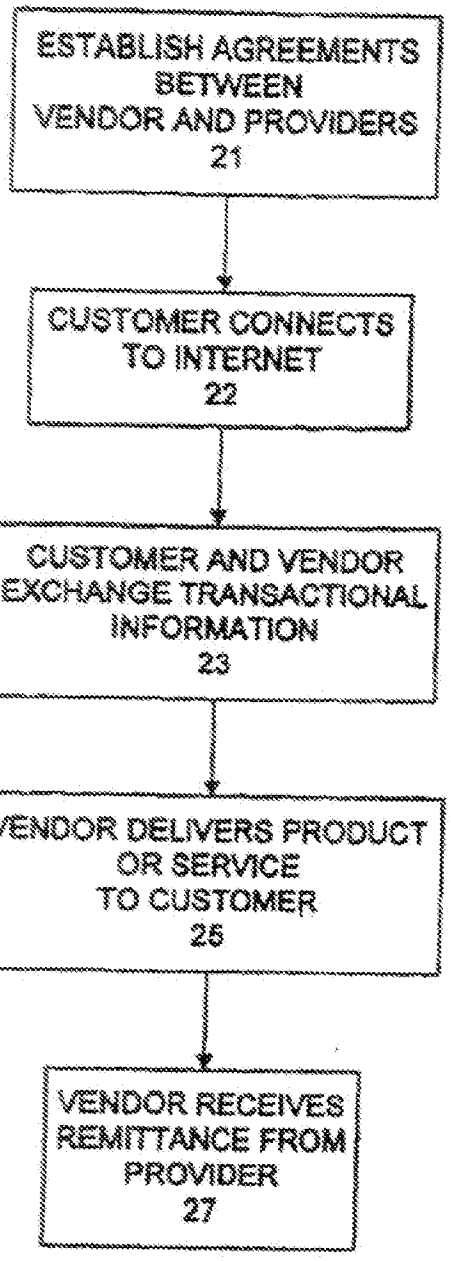

ESTABLISH AGREEMENTS BETWEEN VENDOR AND PROVIDERS
21
CUSTOMER CONNECTS TO INTERNET
22
CUSTOMER AND VENDOR EXCHANGE TRANSACTIONAL INFORMATION
23
VENDOR DELIVERS PRODUCT OR SERVICE TO CUSTOMER
25
VENDOR RECEIVES REMITTANCE FROM PROVIDER
27

FIG. 3

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
DATED : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Title page showing an illustrative figure, should be deleted and substitute the attached title page.

Title page,

Item [56], References Cited, U.S. PATENT DOCUMENTS, add the following:

-- 3,652,795	3/1972	Wolf et al.	379/91.01
5,146,491	9/1992	Silver et al.	379/114.24
5,283,731	2/1994	Lalonde et al.	705/1
5,446,489	8/1995	Egendorf	725/1
5,590,197	12/1996	Chen et al.	705/65
5,724,424	3/1998	Gifford	705/79
5,727,163	3/1998	Bezos	705/27
5,819,092	10/1998	Ferguson et al.	717/1
5,826,241	10/1998	Stein et al.	705/26 --.

FOREIGN PATENT DOCUMENTS, add the following:

-- 97/41386	11/6/97	WO
05-014510	1/22/93	Japan
06-291889	10/18/94	Japan
07-056888	3/3/95	Japan --.

OTHER PUBLICATIONS, add the following:

-- Paul, Nora. "Database and Bulletin Board Services: A Guide to On-Line Resources". The Quill, vol. 81, no. 7, p. 18. September, 1993.

Bremmer, Joseph. "Guide to Database Distribution: Legal Aspects and Model Contracts, Second Edition". National Federation of Abstracting and Information Services, chapters 3, 4, and 6. 1994.

"New Line for SBA". Family and Home Office Computing, vol. 12, no. 4, p. 19. April, 1994.

Blankenhorn, Dana. "Virtual Mall Opens in Cyberspace. Newsbytes. June 20, 1994.

Gonadia et al. "NetBill 1994 Prototype". Carnegie Mellon University Information Networking Institute. August, 1994.

Meece, Mickey. "Start-Up Offers Payment System for Data Bought Over Internet". American Banker, vol. 159, no. 203, p. 1. Oct. 20, 1994.

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
DATED : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Title page (cont'd).

Rodriguez, Karen. "Cyberspace Start-Ups Offer Internet Wares". InfoWorld, vol. 16, no. 43, p. 8. Oct. 24, 1994.

"First Virtual Bank of Cyberspace". Newsbytes News Network. October 28, 1994.

Press, Larry. "Commercialization of the Internet". Communications of the ACM, vol. 37, no. 10, p. 17. November, 1994.

Wiegers, Alex. "First Virtual Really Pays Bills". Business Journal, vol. 12, no. 40, p. 1. December 26, 1994.

Cummings, Joanne, and Knight, Fred. "Internet Service Providers to Ride a Familiar Roller Coaster". Business Communications Review, vol. 25, no. 1, p. 67. January, 1995.

Day, Jacqueline. "Industry Players in Hot Pursuit of Secure Internet Transaction Mode". Bank Systems & Technology, vol 32, no. 1. January, 1995.

Into the Cyberspace". Credit Card Management, vol. 7, no. 11, p. 34. February, 1995.

Blankenhorn, Dana. "Building the Tools for Web Commerce". Interactive Age, vol. 2, no. 8, p. 34. February 13, 1995.

Knowles, Anne. "Improved Internet Security Enabling On-Line Commerce (new services based on Secure Hypertext Transfer Protocol, Secure Sockets Layer Standards)". PC Week, vol. 12, no. 11, p. 1. March 20, 1995.

Marrison, Michele. "First Union, Open Market Hit the Internet". Bank Systems + Technology, vol. 32, no. 5, p. 6. May, 1995.

Singleton, Andrew. "Cash on the Wirehead: You Can't Do Business on the Internet If You Can't Pay Your Bills or Get Paid. Here's How". Byte, vol. 20, no. 6, p. 71. June, 1995.

Bowers, Richard. "First Virtual Offers Unique Internet Payment System". Newsbytes News Network, p. 1. June 23, 1995.

Bowers, Richard. "First Virtual Creates Corporation of Future". Newsbytes News Network, p. 1. June 28, 1995. --.

Column 1,
Line 31, "nave" should read -- have --.

Column 2,
Line 12, "exxisting" should read -- existing --.
Lines 29 and 37, "vender," should read -- vendor, --.
Lines 50-51, "offer customers" should read -- offer their customers --.
Line 56, "chance" should read -- change --.

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
DATED : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Column 3,
Line 29, "agrees to the" should read -- agrees to do the --.
Line 35, "vender's" should read -- vendor's --.
Line 53, "or example," should read -- for example, --.
Line 54, "or o a" should read -- or to a --.
Line 63, "provider, to the" should read -- provider, not the --.

Column 4,
Line 6, "make" should read -- made --.
Line 35, "providers" should read -- provides --.
Line 57, "Access network, an" should read -- Access network 3 can be a telephone network, a cable television network, an --.
Line 58, "Prodigy, r a" should read -- Prodigy, or a --.
Line 66, "agreement" should read -- agreements --.

Column 5,
Line 25, "form" should read -- from --.
Line 40, "from the vendor" should read -- from the exchange of information taking place between the customer and the vendor --.
Line 50, "Provider then" should read -- Provider 2 then --.
Line 61, "4.1-4.*n*and" should read -- **4.1-4.***n* and --.
Line 65, "customer" should read -- customers --.
Line 66, "is" should read -- in --.

Column 6,
Line 1, "services" should read -- service --.
Lines 7 and 14, "form" should read -- from --.
Line 26, "sued" should read -- used --.
Line 39, "VISA, Mastercard" should read -- VISA or Mastercard --.
Line 44, "is, t can" should read -- is, it can --.
Line 57, "or a" should read -- or an --.
Line 63, "For" should read -- for --.

Column 7,
Line 8, "amount" should read -- account --.
Line 9, "with the third" should read -- with a third --.
Line 62, "on Internet" should read -- an Internet --.

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
DATED : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Column 8,
Line 8, "company an" should read -- company, an --.
Line 61, "preformed" should read -- performed --.

Column 9,
Line 3, "arced" should read -- agreed --.
Line 34, "party" should read -- party --.

Column 12,
Line 23, "transaction," should read -- transaction; --.

Column 13,
Line 11, "by to" should read -- by the --.
Line 22, "patty" should read -- party --.
Line 45, "agreement; and" should read -- agreement, --.
Line 61, "vendor a" should read -- vendor, a --.

Column 14,
Line 67, "agreement." should read -- agreement, --.

Column 15,
Line 61, "remitted, to" should read -- remitted to --.
Line 18, "have to" should read -- have agreed to --.

Column 16,
Line 44, "tax" should read -- than --.
Line 23, "have to" should read -- have agreed to --.
Line 35, "to selling" should read -- to the selling --.

Column 18,
Line 29, "transaction," should read -- transaction; --.
Line 21, "have to" should read -- have agreed to --.

Column 19,
Line 64, "have to" should read -- have agreed to --.
Line 10, "aker" should read -- after --.

Column 20,
Line 16, "transaction over" should read -- transactions over --.
Line 57, "aker" should read -- after --.

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,976,008 B2
DATED : December 13, 2005
INVENTOR(S) : Egendorf

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Column 21,
Line 19, "transaction;" should read -- transaction, --.

Column 22,
Line 4, "have to" should read -- have agreed to --.
Line 17, "alter" should read -- after --.

Signed and Sealed this

Ninth Day of May, 2006

JON W. DUDAS
Director of the United States Patent and Trademark Office

(12) **United States Patent**
Egendorf

(10) **Patent No.: US 6,976,008 B2**
(45) **Date of Patent: *Dec. 13, 2005**

(54) **INTERNET BILLING METHOD**

(75) Inventor: Andrew Egendorf, Lincoln, MA (US)

(73) Assignee: Neteraft, Corporation, Lincoln, MA (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 290 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: 09/975,829

(22) Filed: Oct. 11, 2001

(65) Prior Publication Data

US 2002/0032654 A1 Mar. 14, 2002

Related U.S. Application Data

(63) Continuation of application No. 09/568,925, filed on May 11, 2000, which is a continuation of application No. 08/657,230, filed on Apr. 8, 1996, now Pat. No. 6,188,994, which is a continuation of application No. 08/499,535, filed on Jul. 7, 1995, now Pat. No. 5,794,221.

(51) Int. Cl.[7] G06F 17/60

(52) U.S. Cl. 705/40; 705/41; 705/42

(58) Field of Search 705/40, 41, 42

(56) References Cited

U.S. PATENT DOCUMENTS

3,573,747 A * 4/1971 Adams 340/172.5
5,148,481 A * 9/1992 Silver et al. 379/114
5,329,589 A * 7/1994 Fraser et al. 379/91.02
5,394,324 A * 2/1995 Clearwater 705/8
5,446,480 A * 8/1995 Egendorf 348/3
5,737,414 A 4/1998 Walker et al. 380/4
5,845,265 A 12/1998 Woolston 705/37

OTHER PUBLICATIONS

Carnegie Mellon University, "Internet billing Server Prototype Scope Document INI Technical Report 1993–1" (Oct. 14, 1993).*

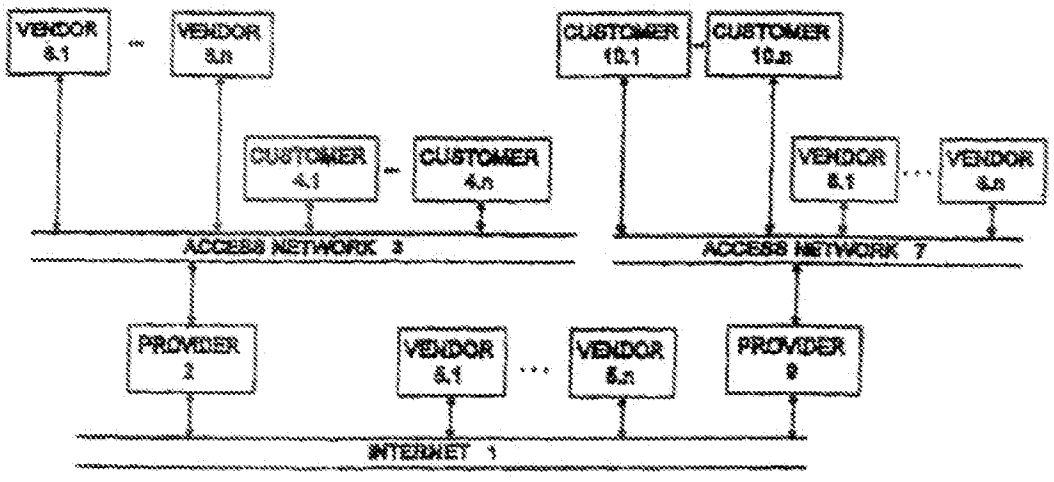
* cited by examiner

Primary Examiner—V. Millin
Assistant Examiner—Daniel S. Felten
(74) *Attorney, Agent, or Firm*—Hogan & Hartson L.L.P.

(57) **ABSTRACT**

An Internet billing method comprises establishing an agreement between an Internet access provider and a customer, and an agreement between the Internet access provider and a vendor, wherein the Internet access provider agrees with the customer and the vendor to bill the customer and remit to the vendor for products and services purchased over the Internet by the customer from the vendor. The provider creates access to the Internet for the customer. When the customer orders a product or service over the Internet from a vendor, transactional information transmitted between the customer and the vendor is also transmitted to the provider. The provider then bills the transaction amount to the customer and remits a portion of the transaction amount to the vendor, keeping the differential as a fee for providing the service. As a result of this method, there is no need for any customer account numbers or vendor account numbers to be transmitted over the Internet, thereby maintaining the security of that information.

94 Claims, 3 Drawing Sheets



VENDOR 8.1
VENDOR 8.n
CUSTOMER 4.1
CUSTOMER 4.n
ACCESS NETWORK 3
PROVIDER 2
VENDOR 6.1
VENDOR 6.n
INTERNET 1
CUSTOMER 10.1
CUSTOMER 10.n
ACCESS NETWORK 7
PROVIDER 9
VENDOR 8.1
VENDOR 8.n

FIG. 1

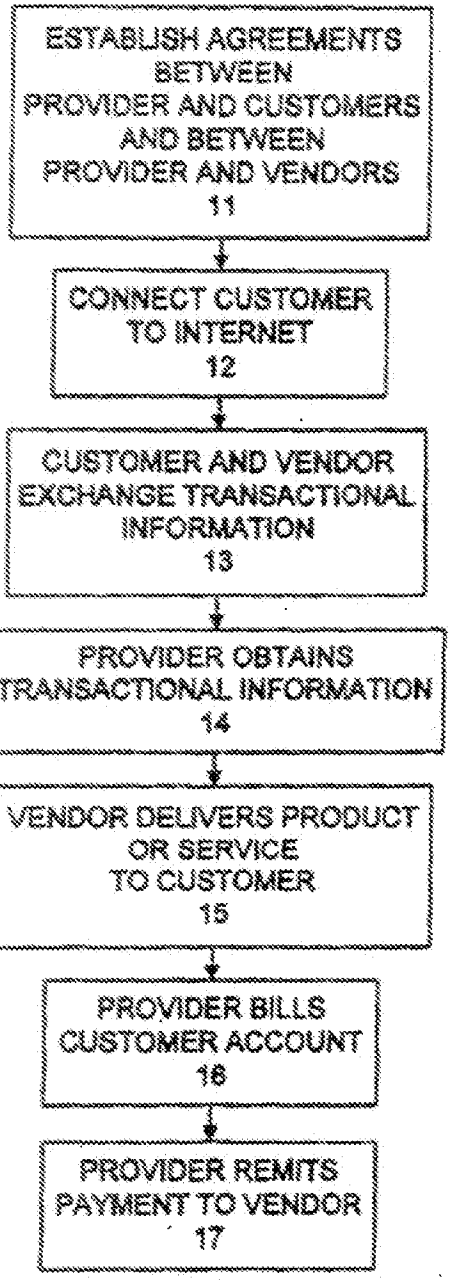

ESTABLISH AGREEMENTS BETWEEN PROVIDER AND CUSTOMERS AND BETWEEN PROVIDER AND VENDORS 11
CONNECT CUSTOMER TO INTERNET 12
CUSTOMER AND VENDOR EXCHANGE TRANSACTIONAL INFORMATION 13
PROVIDER OBTAINS TRANSACTIONAL INFORMATION 14
VENDOR DELIVERS PRODUCT OR SERVICE TO CUSTOMER 15
PROVIDER BILLS CUSTOMER ACCOUNT 16
PROVIDER REMITS PAYMENT TO VENDOR 17

FIG. 2

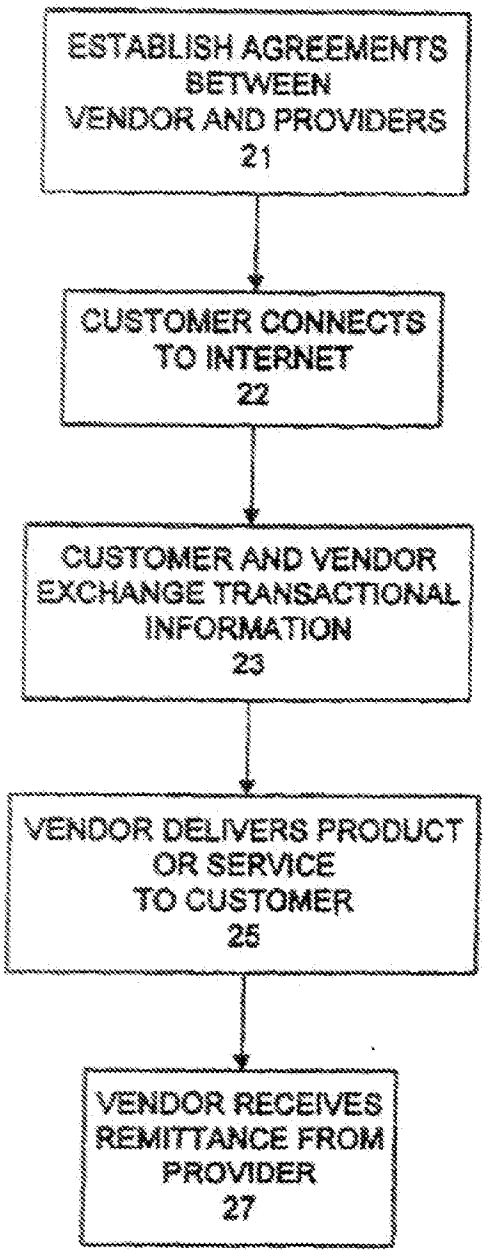

ESTABLISH AGREEMENTS BETWEEN VENDOR AND PROVIDERS 21
CUSTOMER CONNECTS TO INTERNET 22
CUSTOMER AND VENDOR EXCHANGE TRANSACTIONAL INFORMATION 23
VENDOR DELIVERS PRODUCT OR SERVICE TO CUSTOMER 25
VENDOR RECEIVES REMITTANCE FROM PROVIDER 27

FIG. 3